

# OFFICIAL TRANSCRIPT OF PROCEEDINGS BEFORE THE POSTAL RATE COMMISSION

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In the Matter of: )

REQUEST OF THE )  
UNITED STATES POSTAL SERVICE )  
FOR A RECOMMENDED DECISION )  
ON CHANGES IN RATES OF )  
POSTAGE AND FEES FOR )  
POSTAL SERVICES )

Docket No. R2005-1

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

2005 SEP 22 A 10:56

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VOLUME #13  
MATERIALS INCORPORATED  
INTO THE RECORD

Date: September 21, 2005

Place: Washington, D.C.

Pages: 6384 through 6557

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BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

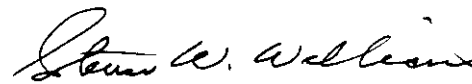
Request of the United States Postal  
Service for a Recommended Decision on  
Changes in Rates of Postage and Fees for  
Postal Services

Docket No. R2005-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION  
OF UNITED STATES POSTAL SERVICE

<u>Party</u>	<u>Interrogatories</u>
American Postal Workers Union, AFL-CIO	MMA/USPS-14-15
Major Mailers Association	MMA/USPS-14-15
Office of the Consumer Advocate	DBP/USPS-82d-e, 122c-e, 127, 159, 177-181, 189, 210a-e, 211-213, 216, 220, 226, 235, 244- 249, 251, 254, 256-257, 263, 264a-b, d-e, 265- 268, 270-271, 275-276, 278-282, 283a, 284-299, 303-304, 308a-b, 309 OCA/USPS-46-49, 54, 106, 112, 147a, 195

Respectfully submitted,



Steven W. Williams  
Secretary

INTERROGATORY RESPONSES OF  
UNITED STATES POSTAL SERVICE  
DESIGNATED AS WRITTEN CROSS-EXAMINATION

<u>Interrogatory</u>	<u>Designating Parties</u>
DBP/USPS-82d	OCA
DBP/USPS-82e	OCA
DBP/USPS-122c	OCA
DBP/USPS-122d	OCA
DBP/USPS-122e	OCA
DBP/USPS-127	OCA
DBP/USPS-159	OCA
DBP/USPS-177	OCA
DBP/USPS-178	OCA
DBP/USPS-179	OCA
DBP/USPS-180	OCA
DBP/USPS-181	OCA
DBP/USPS-189	OCA
DBP/USPS-210a	OCA
DBP/USPS-210b	OCA
DBP/USPS-210c	OCA
DBP/USPS-210d	OCA
DBP/USPS-210e	OCA
DBP/USPS-211	OCA
DBP/USPS-212	OCA
DBP/USPS-213	OCA
DBP/USPS-216	OCA
DBP/USPS-220	OCA
DBP/USPS-226	OCA
DBP/USPS-235	OCA
DBP/USPS-244	OCA
DBP/USPS-245	OCA
DBP/USPS-246	OCA
DBP/USPS-247	OCA
DBP/USPS-248	OCA
DBP/USPS-249	OCA
DBP/USPS-251	OCA
DBP/USPS-254	OCA

InterrogatoryDesignating Parties

DBP/USPS-256	OCA
DBP/USPS-257	OCA
DBP/USPS-263	OCA
DBP/USPS-264a	OCA
DBP/USPS-264b	OCA
DBP/USPS-264d	OCA
DBP/USPS-264e	OCA
DBP/USPS-265	OCA
DBP/USPS-266	OCA
DBP/USPS-267	OCA
DBP/USPS-268	OCA
DBP/USPS-270	OCA
DBP/USPS-271	OCA
DBP/USPS-275	OCA
DBP/USPS-276	OCA
DBP/USPS-278	OCA
DBP/USPS-279	OCA
DBP/USPS-280	OCA
DBP/USPS-281	OCA
DBP/USPS-282	OCA
DBP/USPS-283a	OCA
DBP/USPS-284	OCA
DBP/USPS-285	OCA
DBP/USPS-286	OCA
DBP/USPS-287	OCA
DBP/USPS-288	OCA
DBP/USPS-289	OCA
DBP/USPS-290	OCA
DBP/USPS-291	OCA
DBP/USPS-292	OCA
DBP/USPS-293	OCA
DBP/USPS-294	OCA
DBP/USPS-295	OCA
DBP/USPS-296	OCA
DBP/USPS-297	OCA
DBP/USPS-298	OCA

Interrogatory

DBP/USPS-299  
DBP/USPS-303  
DBP/USPS-304  
DBP/USPS-308a  
DBP/USPS-308b  
DBP/USPS-309  
MMA/USPS-14  
MMA/USPS-15  
OCA/USPS-46  
OCA/USPS-47  
OCA/USPS-48  
OCA/USPS-49  
OCA/USPS-54  
OCA/USPS-106  
OCA/USPS-112  
OCA/USPS-147a  
OCA/USPS-195

Designating Parties

OCA  
OCA  
OCA  
OCA  
OCA  
OCA  
APWU, MMA  
APWU, MMA  
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**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-159** Please refer to your response to DBP/USPS-85 subparts c and d. [a] In the example that you provided in your response to subpart b, you indicated that the CFS unit has until 5 PM on Tuesday to process the mail. The question that I had is that once the mail has been processed [I assume that means that the yellow label has been affixed with the new address], that the mail will be dispatched to the addressee. The question is will First-Class Mail that is destined from the P&DC for overnight delivery receive overnight delivery and mail that is destined to the 2-day delivery standard area from that P&DC receive delivery on the 2nd day and mail destined to the 3-day area receive delivery on the 3rd day [assuming no non-delivery days are involved]? [b] You indicate that First and Standard letters will be combined into a single group and that First, Periodicals, and Standard flats will also be combined into a separate single group. When those separate combined groups of mail are dispatched from the P&DC, what level of service will they receive? Will they be separated into the separate classes of mail by the P&DC and dispatched as appropriate to that class of mail or will they be sent as a single group - if so, what type of dispatch will they receive?

**RESPONSE:**

(a) These are the Postal Service's objectives. As with all First-Class Mail, these objectives are not always met.

(b) CFS operations process forwardable mail based upon the shape rather than the class of the mail. Consequently, the outflows to the P&DC from CFS operations are also shape-based. Because the mail from a CFS operation includes preferential mail, the P&DC processes all CFS mail as preferential mail.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-177** Please refer to your response to DBP/USPS-55 subpart b. The postage meter that I am referring to is a customer leased machine such as provided by Pitney Bowes and not the PVI strip provided at the USPS retail window. Please respond to that question.

**RESPONSE:**

Barcodes for Meters and PC-Postage come in a variety of shapes. Postage meters currently produce either no barcode at all, a barcode that is close to .8 X .8, and one that is a rectangle. It all depends on the actual meter and the vendors.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-178** Please refer to your response to DBP/USPS-55 subpart d. Are there plans to make use of the APC and/or postage meter barcodes in the future? If so, please explain the expected use and the timeframe for implementation.

**RESPONSE:**

As of yet, there are no such plans.



RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-179** Please refer to your response to DBP/USPS-60. [a] Please confirm, or explain if you are not able to confirm, that if I present two, one ounce letters in a standard #10 envelope to a retail window clerk for sending by Certified Mail the required postage will be \$2.67 and assume that letter "A" has no postage affixed while letter "B" has the full \$2.67 postage affixed. Letter "A" will have the \$2.67 postage affixed with a PVI strip and the letter will be scanned into the system on the POS terminal as being accepted. Letter "B" will be accepted but not scanned in. The PS Form 3800 for both letters will be postmarked and/or validated. Within a short period of time, if I access the USPS website I will find that letter "A" is in the system and it will allow me to enter my e-mail address to receive an e-mail of upcoming delivery events while letter "B" will not appear in the system and will not allow for requesting an e-mail update of delivery events until the delivery is attempted one or more days later. [b] Please confirm, or explain if you are not able to confirm, that letter "A" has a higher value of service than letter "B" solely because of the lack of advance payment of postage. [c] Please confirm, or explain if you are not able to confirm, that letter "A" will incur a greater window time than letter "B" due to the affixing of the postage and the processing of the payment. [d] Is a mailer permitted to request that the retail window clerk scan letter "B" into the system to allow for the earlier e-mail notification request? [e] If not, why not? [f] Is a mailer permitted to overpay the postage on letter "B" by one or more cents to "force" the window clerk to scan the letter in at the time of mailing? [g] If not, why not? [h] Are there any plans to allow for requesting the e-mail notification of delivery events prior to the first scan of the mailpiece? [i] If not, why not? If so, when will it be implemented?

**RESPONSE:**

(a) Confirmed.

(b) Not confirmed. The Postal Service has no basis for determining whether one letter has a higher value of service than another. Additionally, Letter "A"'s entry into the system is not due to the lack of advance payment of postage, but is due to an acceptance scan.

(c) Confirmed.

(d) Yes.

(e) Not applicable.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

- (f) A mailer is permitted to overpay postage, but this does not force the window clerk to scan the letter in at the time of mailing.
- (g) Not applicable.
- (h) No.
- (i) Because there are no such plans in existence.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-180** Please refer to your response to DBP/USPS-62. Do all APCs allow for an Express Mail cutoff time of 5:30 PM or should that time be shown as "the established cutoff time"?

**RESPONSE:**

The response should have stated that "the APC screen shows the guaranteed delivery time assuming that the article would be deposited in the APC by the established cutoff time."

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-181** Please refer to your response to DBP/USPS-63. Please confirm, or explain if you are unable to confirm, that an article that weighs over 16 ounces may be deposited in an APC drop, a post office lobby mail drop, or a collection box so long as the postage for it is paid either totally or partially by an APC stamp an/or a postage meter.

**RESPONSE:**

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-189** Please refer to your response to DBP/USPS-95. Please confirm, or explain if you are unable to confirm, that the 4-state barcode will not show the specific address and/or ZIP Code but will only show a unique sequence number that the equipment that reads the 4-state barcode will read and then go to a centralized database to determine the address information for processing that mailpiece, in other words, that if I could manually decode a specific 4-state barcode, I would not be able to check or determine the ZIP Code or other address information.

**RESPONSE:**

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-210.** Please refer to your response to DBP/USPS-121. Your response indicates that Post Office to Post Office (A-Label) Express Mail may be sent to 7200 post offices. The response to DBP/USPS-16 in Docket R2001-1 indicated that A-Label may be sent to all of 71 three-digit ZIP Codes. Evaluation of the 070-073 Express Mail Directory indicates that A-Label may be sent to part or all of at least (those three-digit prefixes that are not overnight are not know) 176 three-digit ZIP Codes (the directory indicates that, "Must check with local post office to determine valid shipment claim locations within a Zip Code area.")

- (a) Please indicate when the level of service available to A-Label users was increased from that which existed to provide the response to Docket 2001-1 as to what is presently available.
- (b) Please indicate when the level of service available to A-Label users was changed from being available to all ZIP Codes in a 3-digit range as was available in the R2001-1 response to only being available to certain 5-digit ZIP Codes within the 3-digit prefix as currently exists.
- (c) Many years ago there was a directory that listed all of the claim locations for A-Label Express Mail service. Is such a directory still available?
- (d) If not, how does a mailer determine which individual ZIP Codes are available to send A-Label for pickup?
- (e) If so, please provide a copy of the Directory.
- (f) If a Directory is not available, please provide a listing of the 7200 post offices that A-Label Express Mail may be sent to.

**RESPONSE:**

(a)-(b) The availability of PO-to-PO Express Mail service to a destination has been determined at the 5-digit level for a long time. Please see the response to part (f) below for the current list of available destinations for such mail. Also attached is the list of destinations for PO-to-PO Express Mail from February 1999, to allow for a comparison of how the number of destinations for such mail has changed over time (this list is the only one that the Postal Service has been able to find from the period around Docket No. R2001-1).

(c) Publication 272 is no longer available.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

(d) A mailer can determine the availability of Post Office-to-Post Office Express Mail service from a destination ZIP Code to an origin ZIP Code by using USPS.com, calling 1-800-ASK-USPS, or asking a retail clerk.

(e) N/A.

(f) See the attached list.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-211.** Please refer to your response to DBP/USPS-121.

- (a) I notice that the 070-073 Express Mail directory indicates that A-Label service is available to the 900 prefix and if I go to the USPS website, I notice that A-Label is available to 90001 and is not available to 90049. Short of entering all 99 individual ZIP Codes from 90001 through 90099, is there a way to determine the available pickup locations in the 900 ZIP Code prefix area?
- (b) If so, please explain how it would be accomplished.
- (c) Please advise how a mailer would obtain the local street address and window hours of the delivery address post office.
- (d) If there were 2 or more facilities that had the same 5-digit ZIP Code, please explain how a mailer would be aware of which facility the A-Label article was being sent to.

**RESPONSE:**

(a)-(b) Please see the response to DBP/USPS-210(d).

(c) This information is available by using USPS.com or calling 1-800-ASK-USPS.

(d) If there are 2 or more facilities within the same five-digit ZIP Code, the article is sent to the facility designated on Label 11-A.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-212.** Please refer to your response to DBP/USPS-121. Please confirm, or explain if you are unable to confirm, that the USPS website provides a complete listing of all potential origin-destination ZIP Code pairs for the shipment of A-Label Express Mail and takes into account the availability of window hours on the scheduled day of delivery and at a point after 10 AM to allow for the claiming of the article.

**RESPONSE:**

The USPS.com Express Mail Service Commitment function allows a customer to determine the Express Mail service that is available from an origin ZIP Code to a destination ZIP Code. By entering the origin ZIP Code, the destination ZIP Code, and the day of mailing, information is provided as to available service commitments.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-213.** Please refer to your response to DBP/USPS-121.

- (a) Please explain how the listing of the 7200 post offices was determined.
- (b) Please explain why A-Label Express Mail service is not available for delivery at any of the other remaining offices. For example, the USPS website shows that A-Label service is not available from Englewood NJ 07631 to Paramus NJ 07652 even though that is within the overnight service area for First-Class Mail.
- (c) Please confirm, or explain if you are unable to confirm, that A-Label Express Mail may be sent to these 7200 post offices from all post offices throughout the country (except for Military ZIP Codes) to arrive by 10 AM on either the overnight day or the second calendar day or in the event of non-window service day on the scheduled date of delivery, the delivery would occur on a later calendar day.

**RESPONSE:**

(a)-(b) The availability of Post Office-to-Post Office Express Mail to a destination ZIP Code from an origin ZIP Code is based primarily on the availability of transportation necessary to meet the 10:00 AM delivery commitment.

(c) Confirmed that Post Office-to-Post Office Express Mail can be accepted at any Post Office, station, or branch, and that the service guarantee is for 10 A.M. pick-up on either the Next Day, Second Day, or "Second Delivery Day."

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-216.** Please refer to your response to DBP/USPS-145. [a] Please provide a copy of PS Form 3883. [b] Does PS Form 3883 provide a place for the addressee to sign to indicate receipt of the mail? [c] If so, please explain why the addressee's signature is obtained on PS Form 3849 and not on PS Form 3883. [d] Please confirm, or explain if you are unable to confirm, that PS Form 3849 has a place for indicating the number[s] of the accountable mail article[s]. [e] Please explain why no article numbers are placed on the PS Form 3849 that is signed by the addressee.

**RESPONSE:**

(a) A copy of PS Form 3883, Firm Delivery Sheet, is attached on the following page.

(b) No.

(c) Not applicable

(d) Confirmed that up to five accountable mail article numbers can be recorded on PS Form 3849.

(e) The only instance in which a recipient would sign a Form 3849 that does not include the article numbers is when six or more accountable mail pieces are being delivered.

In that instance, rather than record five article numbers on Form 3849 and the remainder on Form 3883, all article numbers are recorded in one place — Form 3883.

The barcodes are scanned on both forms thereby linking the signature on Form 3849 to the six or more article numbers listed on Form 3883.

United States Postal Service

Attachment to DBP/USPS-216

# Firm Delivery Receipt for Accountable and Bulk Delivery Mail



5199 9990 0007 5066 2430

<input type="checkbox"/> Certified COD	<input type="checkbox"/> Delivery Confirmation™ Service	<input type="checkbox"/> Express Mail® Service Insured	<input type="checkbox"/> Recorded Delivery Registered	<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Signature Confirmation™ Service	Mail for Bill Number
Article Number		Code	Office of Origin (International)		Article Number	Code

1.			1.		
2.			2.		
3.			3.		
4.			4.		
5.			5.		
6.			6.		
7.			7.		
8.			8.		
9.			9.		
10.			10.		

\* CODE: DC = Received in Damaged Condition. R = Return Receipt Requested. RS = Returned to Sender.

Date of  
Delivery

Number of pieces described above

Recipient signs  
Form 3849.

Postmark - Delivery Office

Delivered By:  
(Clerk/Carrier)

ERM sites: send Form  
3849 to CFS

Form 3849 Barcode Number

MRM sites: file Form 3849  
with Form 3883

PS Form 3883, February 2002

1- Delivery

◆ Follow proper scanning procedures for all articles.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-220.** Please refer to your response to DBP/USPS-145. Your response in providing the two procedures appears to be focused only on Certified Mail and the hard copy green return receipt card. Please provide similar information for the electronic return receipt and Delivery Confirmation.

**RESPONSE:**

The procedures discussed in the response to interrogatory DBP/USPS-145 are similar to those for Delivery Confirmation and the electronic option for return receipt. Delivery Confirmation involves the same delivery scan as Certified Mail, but without obtaining a signature, while the electronic option for return receipt follows the same delivery procedures as for Certified Mail without electronic return receipt.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-226.** Please refer to your response to DBP/USPS-126.

- (a) Please provide the requirements and associated regulations which relate to the level of window service and all forms of delivery service that must and/or should be provided on a Saturday.
- (b) Please indicate any insight as to why 24% of the post offices feel that it is inappropriate to provide retail window service on Saturdays.
- (c) Does the 76% of post offices that are open on Saturday represent only independent post offices or does it also include classified stations and branches and/or contract station and branches?
- (d) If it includes any stations and/or branches, please provide a figure based on independent post offices only.
- (e) Please provide a breakdown for each of the Areas in the country.
- (f) Please confirm, or explain if you are unable to confirm, that there is now a recent policy to extend the retail window hours both on weekdays and on Saturdays.
- (g) What is the current policy with respect to either increasing or decreasing the availability of retail window service on Saturdays?

**RESPONSE:**

(a) According to POM section 126.42: "Window service is provided on Saturdays if there is a demonstrated need. Normally, such service does not exceed 4 hours.

Postmasters must obtain approval from the next higher management level if more hours are necessary to meet customer needs. At financial units serving business areas, or facilities serving communities where many residents leave on weekends, retail service may be closed if service is available at other postal units, contract stations, or self-service postal centers. Postmasters must post signs telling customers of locations and hours of such services."

(b) As noted in the response to part (a), the decision whether to provide window service on Saturdays is a local decision based on customer needs. For example, in areas where residents leave on weekends, retail service may be closed if service is available at other postal locations, contract stations, or self-service postal centers.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

(c) The figure provided in the response to DBP/USPS-126 represents retail sites that submit Form 1412 for Saturday retail activities. This could include post offices as well as stations or branches.

(d) The data is not available in the format requested.

(e) Capital Metro: 84%

Eastern: 87%

Great Lakes: 83%

New York Metro: 83%

Northeast: 90%

Pacific: 44%

Southeast: 82%

Southwest: 65%

Western: 70%

(f) The Postal Service is planning to extend and adjust hours of service at Postal Service retail locations nationally where customer traffic dictates the need.

(g) Where districts believe there is a need to better serve customers, there will be strategically located USPS retail sites open until 3 PM on Saturdays.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-235** Please refer to your response to DBP/USPS-161. [a] Do you believe that filing a Change of Address Order relates to a Postal service? [b] If not, please explain why not. [c] If so, please explain why the rate does not appear in the DMCS.

**RESPONSE:**

This interrogatory cannot be answered because it calls for a legal conclusion, and is not a request for factual information.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-244.** Please refer to your response to DBP/USPS-185 subpart a. Please confirm, or explain if you are unable to confirm, that when a mailer deposits an Express Mail article in a regular blue collection box that the service guarantee is based on the time that the mailpiece is processed when the collector returns to the postal facility.

**RESPONSE:**

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-245.** Please refer to your response to DBP/USPS-185 subpart a. Please confirm, or explain if you are unable to confirm, that when a mailer deposits an Express Mail article in a regular blue collection box that the mailpiece may possibly not be recognized by the collector during the route or upon return to the post office and will not be discovered until the mail is processed at the P&DC (or other facility) and that the service guarantee will be based on the time that the mailpiece is ultimately processed.

**RESPONSE:**

We suppose that this is possible.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-246.** Please refer to your response to DBP/USPS-185 subparts b through d. *You response appears to have misinterpreted the intent of the original interrogatory.* My original intent was to inquire about the "wholesale" removal of Express Mail collection boxes on the assumption that mailers may use regular blue collection boxes and not what you appear to have responded to which appears to be the removal or addition of a specific Express Mail collection box based on the activity at that specific collection box. Please respond to the intent of the original subparts b through d.

**RESPONSE:**

The Postal Service is unaware of any "wholesale" removal of Express Mail collection boxes. As the response to DBP/USPS-185 clearly indicates, decisions regarding the placement and removal of Express Mail collection boxes are not based on the presence or absence of regular blue collection boxes.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-247.** Please refer to your response to DBP/USPS-186. Please confirm, or explain if you are unable to confirm, that the Express Mail Collection Box Decal does not "provide[s] the standards associated with the collection time for the Express Mail deposited in the collection box" but only provides a generic explanation of Express Mail service standards. Furthermore, the generic explanation provided does not take into account the changes in Express Mail service standards that provide delivery on the second delivery day or the third or fourth calendar day after mailing.

**RESPONSE:**

As is stated in the response to DPB/USPS-186, the decal on each Express Mail collection box generally describes the service standards associated with Express Mail deposited in that box and provides customers with telephone numbers to call to get specific service commitment information. The Postal Service denies that there has been any "changes in Express Mail service standards."

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-248.** Please refer to your response to DBP/USPS-186.

- (a) Approximately what percentage of the collection box decals will show the 1-800-ASK-USPS / 1-800-275-8777 (or any other national number as opposed to a local telephone number for the local post office) as the number to call for local information?
- (b) Will the national call center be able to provide all of the information necessary to allow a mailer to determine the service standards that apply for Express Mail deposited in a given collection box, including, but not limited to, the time that the collector will return to the office, any collection times that occur prior to the final collection time, whether the local office will utilize the collection time or the office scanning time as the determinant of the service standards, and obviously whether they have the information of Express Mail standards to begin with.

**RESPONSE:**

(a) The Postal Service has no data indicating the extent to which a national number as opposed to a local number is placed in the box designated "For local information call:" on the Express Mail Collection Box Decal.

(b) The national call center can provide the cut-off time that applies to the collection box, and the service standard that the piece would receive based on the destination ZIP Code. If the customer desires to know further information, the call center can provide the phone number of the local post office.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-249.** Please refer to your responses to DBP/USPS-191 and 192. Please provide all of the reasons why, when the requestor asked for data for an average origin ZIP Code and provided a method to calculate the average, the Postal Service decided to only provide the data for a single ZIP Code (even though there are over 40-thousand ZIP Codes) and that the reasons why the 10001 ZIP Code was chosen as the one single ZIP Code to utilize to respond to interrogatories DFC/USPS-58 and DFC/USPS-76.

**RESPONSE:**

The response to DFC/USPS-76 has been revised, and the information inquired about here is no longer on the record.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-251.** Please refer to your response to DBP/USPS-193. Please confirm, or explain if you are unable to confirm, that the data provided in response to DFC/USPS-76 subparts c and d was obtained by individually adding the number of individual addresses in each individual 5-digit ZIP Code for the specific ZIP Codes that are referenced in the response to subparts a and b.

**RESPONSE:**

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-254.** Please refer to your response to DBP/USPS-168 subpart b. Please reanswer the interrogatory if the word "manual" is taken to mean any written or printed instructions for the methods and/or procedures and/or reporting of the EMVS program.

**RESPONSE:**

Please see the attached Statement of Work (SOW) for the EMVS program. Outdated information, along with background information not pertinent to the methods, procedures, or reporting of the EMVS program, has been redacted, with updated information supplied in italics. In addition, the name of the original contractor has been replaced with "IBM," the current contractor. Please see the attachment to DBP/USPS-256(a) for additional information concerning the EMVS program.



## ATTACHMENT TO DBP/USPS-254

**Express Mail Validation System (EMVS)****Scope**

The Postal Service has established a Voice of the Customer (VOC) indicator for Express Mail service performance for delivery by either noon or 3 PM the next day. The measurement system that will be used is the Product Tracking System (PTS), which will replace the Electronic Marketing Reporting System (EMRS). Consumer Affairs, with the help of postal field personnel, has been tasked to validate the service performance information generated from EMRS. To accomplish this goal, the Express Mail Validation System (EMVS) will be developed to determine:

- On-time delivery performance for Express Mail as measured by an independent contractor
- Accuracy of the PTS information compared to actual delivery information.

**Background**

*[Redacted—background information concerning a calendar year 2000 Express Mail study not pertinent to the operation of EMVS.]*

**Sample Design**

*[Redacted—outdated information. See the attachment to DBP/USPS-256(a) for up-to-date sample design information.]*

**Test Mail Induction**

Express Mail test pieces will be deposited into the mail stream over a postal quarter. Test mail will be seeded into the mail stream using a variety of induction methods. Induction method percentages have been determined using input from postal field units. *[Outdated information concerning induction method percentages redacted. See the attachment to DBP/USPS-256(a) for up-to-date information on induction percentages].*

*[Outdated information about use of multiple envelope types redacted; multiple envelope types are no longer used in EMVS.]*

Test mail will be inducted Monday through Saturday and will follow the induction window established on Express Mail collection boxes or by local post offices. Where possible, [IBM] will use existing droppers to seed the test mail. *[Outdated information concerning the planning of inductions based on last pickup times redacted; IBM no longer provides a table concerning its collection of last pickup time information]*

The bundle size will be up to three Express Mail pieces. Bundling test pieces has the advantage of reducing the total number of drops to be made, which in turn hold down costs. A bundles size of up to three pieces provides a realistic number of Express pieces to be inducted into the mailstream at once without compromising a confidentiality risk to the test mail or the TTMS dropper.

**Mailpiece Receipts**

*[Outdated information concerning fabricating pieces to Next Day delivery times (Noon or 3 PM) redacted; EMVS pieces are no longer fabricated to those delivery standards based on their proportion of volume]*

## ATTACHMENT TO DBP/USPS-254

Based on the demographic information provided to us by postal field units, we have determined that the Reporter panel will be made up of members of both the business and household sectors.

*[Outdated information concerning identity of reporters redacted.]*

Express Mail can be delivered 7 days a week. Because most business reporters already in the existing panel are only open 6 days a week, mail will be delivered to the business portion of this panel from Monday to Saturday. Sunday will not be a valid delivery day for business reporters and any mail with an attempted delivery on Sunday to a closed business will automatically be moved to Monday.

Household reporters will be eligible to receive mail Monday to Sunday. Therefore, [IBM] will create mail that they are scheduled to received on Sundays.

Both business and household reporters will be required to report both the date of receipt and the time of receipt. Capturing the receipt time will be necessary for determining whether the noon or 3:00 PM next day delivery standard was met.

If a household or business is not available when delivery was attempted, the reporter will report the date and time that an "attempt to deliver" notice was left as the official receipt information. If the date and time are not present on the notice these will be reported as unknown and removed from the test sample. [IBM] will provide the Postal Service with a frequency of how often this happens by 3-digit within a Performance Cluster.

*[Outdated information concerning protecting reporter identity redacted; please see the response to DBP/USPS-257 for a discussion of this issue.]*

All data collected will undergo quality checks to ensure its integrity. These checks are similar to these completed on all EXFC and PETE data.

### **Validation Calls**

*Redacted—outdated because validation calls are no longer performed.*

### **Performance Comparison**

[IBM] will compare EMVS results with service performance data for the same period from PTS.

### **Timeline for Performing the Test**

*Redacted—outdated FY02 information.*

### **Deliverables**

*Outdated information concerning report frequency redacted.*

### **Cost Proposal**

*Redacted—information not pertinent to operation of program.*

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-256.** Please refer to your response to DBP/USPS-168.

- (a) Please provide a greater narrative of the explanation of the EMVS program.
- (b) Does the EMVS program utilize droppers and reporters?
- (c) Does the PTS system measure the same mailpiece as the EMVS?
- (d) Does the PTS system measure the same origin destination ZIP Code pair as the EMVS?
- (e) Exactly what does it mean when you state that the overall match rate between PTS and EMVS for FY02 QIII was 95.0?
- (f) Exactly what does it mean that the Percentage of Pieces where PTS and Customer Label Match is 95.7 for the same quarter?
- (g) Why are there different numbers of pieces for each of the quarters between the two categories?

**RESPONSE:**

(a) See the attached.

(b) As the response to OCA/USPS-113 indicates, yes.

(c)-(d) EMVS is a external measurement system designed to validate PTS results. As such, every piece that is measured by EMVS is also measured by PTS.

(e) As noted in the response to DBP/USPS-168, the Validation Report match rate indicates the percentage of pieces in which PTS and EMVS agree that the piece was either on-time or was late. Thus, in FY 02 QIII, for 95% of the pieces measured by that Report, PTS and EMVS agreed that the piece was either delivered on-time or was delivered late.

(f) As noted in the response to DBP/USPS-168, the Service Standard Comparison Report indicates the percentage of pieces where the PTS service standard matches the customer label service standard on a specific piece. Thus, in FY 02 QIII, for 95.7% of

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

the pieces measured by that Report, the service standard assigned by PTS matched the service standard assigned by the customer label.

(g) This is because the criteria points for inclusion of a piece on the Validation Report are more stringent than those for the Service Standard Comparison Report.

## Overview of EMVS

The measurement of the on-time delivery performance for Express Mail is being tracked by the Product Tracking System (PTS; however, the Board of Governors also requires an independent validation. As a result, Consumer Affairs has developed, with input from Field Managers, the Express Mail Validation System (EMVS) as an external measurement beginning in PQ III, FY 02. IBM performs the EMVS data collection and reporting process. EMVS is designed to measure the delivery performance for Express Mail and will compare EMVS delivery results to PTS information for the test mail pieces.

### Sample Design

EMVS is a quarterly, destination-based system, with the sample sizes set to achieve estimates of on-time performance for each area. Nationally, 4,320 pieces of test mail will be created each quarter. In order to achieve the +/- 4% precision level desired at the area level, each of the nine areas (including Capital Metro) should receive at least 384 pieces, the minimum number of pieces required to achieve the precision level.

Test mail origin/destination ZIP Code pairings are selected based on actual Express Mail volume. The sample design will allocate approximately 95 percent of the test mail for inductions at post office counters and 5 percent at collection boxes. EMVS will distribute the test mail induction volume across the days of the week according to actual Express Mail volume.

EMVS test mail will be delivered to both businesses and households.

### Reporting

EMVS will provide a direct comparison of the "start and stop the clock" data reported by IBM droppers and reporters with the PTS "start and stop the clock" information for the same test mail pieces. The Validation Report provides a side-by-side comparison of what PTS and EMVS indicate are the percent on mail pieces meeting the PTS service standard. Mail pieces in this report must have a "stop the clock" PTS scan and an EMVS reporter receipt in order to be included.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-257.** Please refer to your response to DBP/USPS-168. If there are droppers and/or reporters in the EMVS program, (a) Please identify the USPS employees or categories of USPS employees (provide the number of employees in that category) that have knowledge of or access to of the identity of droppers/reporters or the proposed location for dropping or receiving mail (prior to the delivery of the mailpiece)? (b) Please elaborate on the security employed to ensure that other USPS employees do not learn or have access to this information.

**RESPONSE:**

(a)-(b) For EMVS, no Postal Service employees have knowledge of inductions or plans for inductions, not even the highly restricted information available for EXFC and PETE (see the response to DBP/USPS-73). All planning of, knowledge of, and access to such information is strictly held by the contractor performing the tests.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-263.** Please refer to your response to POIR NO. 9, Question 2.

- (a) Please confirm, or explain if you are unable to confirm, that this table does not include Priority Mail that is transported on the FEDEX system.
- (b) Please confirm, or explain if you are unable to confirm, that Zone 1 is up to 50 miles and Zone 2 is greater than 50 miles and up to 150 miles.
- (c) What percentage of the mail that is destined to Zones 1 and 2 has the same service standard for both Priority Mail and First-Class Mail.
- (d) What percentage of the First-Class Mail destined to Zones 1 and 2 is transported by air?
- (e) What volume of the First-Class Mail destined to Zones 1 and 2 is transported by air?
- (f) Please explain why over 15-percent of the Priority Mail that is carried by Commercial Air carriers is destined to Zones 1 and 2.
- (g) Please describe the type of mail and/or the types of destinations involved that requires commercial air transportation for destinations that are less than 150 miles apart.

**RESPONSE:**

(a) Confirmed with the understanding that some of the volume may have traveled on the FedEx network prior to connection with the commercial air service, or may travel on the FedEx network after traveling on the commercial air service (an additional leg).

(b) Confirmed.

(c) These data are not available.

(d) These data are not available.

(e) These data are not available.

(f) The majority of Priority Mail transported on commercial air carriers to Zones 1 and 2 is within Hawaii and the Caribbean (Puerto Rico, U.S. Virgin Islands). Such air service

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

facilitates meeting service standards because the alternative -- boat transportation -- would be slower. According to the data, this concentrated use of commercial air service results in Zones 1 and 2 accounting for 15 percent of all Priority Mail (by weight) transported on commercial carriers.

(g) See response to subpart (f).



RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-264** Please refer to your response to OCA/USPS-186 to 193. [a] Please confirm, or explain if you are unable to confirm, that the nondenominated stamps that were issued for the 15¢ to 33¢ values had the letters "A" through "H" associated with them. [b] Please confirm, or explain if you are unable to confirm, that the nondenominated stamps that were issued for the 34¢ and 37¢ values did not have letters associated with them but were of a design that matched the ultimately issued denominated version. [c] Please explain why the Postal Service abandoned the use of letters. [d] Please confirm, or explain if you are unable to confirm, that the use of a letter system rather than a design system will allow for a better determination of the value of a nondenominated stamp once it is well past the implementation period for that design. [e] Are there any plans to return to a letter system? [f] If not, why not?

**RESPONSE:**

[a-b] Confirmed.

[c] Objection filed.

[d] The Postal Service has performed no analysis which would permit it to reach any conclusion on this matter.

[e] No.

[f] Objection filed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-265** Please refer to your response to DBP/USPS-175 subpart b. Please confirm, or explain if you are unable to confirm, that the 4.66-percent of Priority Mail that is destined to a 3-day service standard area and is delivered within 1 day [which means that it is delivered on the first delivery day after mailing] is primarily mail which is mailed on a Saturday [in cases where there is no influence by a holiday in the time frame] and delivered on Monday [two calendar days later]. This would also apply to a lesser extent to mail which is deposited on the day before a holiday and delivered on the day after the holiday [two calendar days when the holiday is not on either a Saturday or Monday and three calendar days when the holiday is on a either a Saturday or Monday].

**RESPONSE:**

The Postal Service can not confirm this interrogatory based on available data.

However, the underlying assumption -- that Priority Mail that is destined to an area where the service standard between origin and destination is 3 days, and is delivered on the first delivery date after mailing, primarily would have been mailed on a Saturday or the day before a holiday -- appears to be logical.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-266.** Please refer to your response to DBP/USPS-224 subparts c and d. Your response to subpart c was "reversed". The interrogatory asked if the potential delivery point was within 1/4 mile of the rural post office and either on the line of travel of a rural delivery carrier or in an area covered by city delivery service, then must that delivery point be provided delivery service? Your response was that if they were not provided carrier delivery they would be eligible for a free post office box. My question is the reverse of that, namely, if they are located close to the post office and on the line of travel, must they be provided carrier delivery? If not, please explain.

**RESPONSE:**

A partial objection to this interrogatory has been filed.

The question mischaracterizes the response to DBP/USPS-224(c), which correctly answers that whether carrier delivery would be required depends upon the specific, potential delivery point, thus exemplifying why the 1/4 mile proximity is included in the descriptive list provided in response to OCA/USPS-175.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-267.** Please refer to your response to DBP/USPS-225.

- (a) Please confirm, or explain if you are unable to confirm, that the residents of Garrett Park who receive carrier delivery from a neighboring post office are "forced" to utilize an address for that post office rather than their "correct" Garrett Park address.
- (b) Please confirm, or explain if you are unable to confirm, that the residents of Garrett Park who receive mail delivery by going to the post office to pick up their mail will have a Garrett Park post office box address and will be required to pay for that box.
- (c) Please confirm, or explain if you are unable to confirm, that if the carrier delivery was not provided to a specific Garrett Park residence, then that resident could obtain their post office box free of charge.

**RESPONSE:**

A partial objection to this interrogatory has been filed.

- (a) Garrett Park residences who receive carrier delivery service from a neighboring office use an authorized city name and ZIP Code applicable to that route.
- (b) Customers whose delivery occurs through a post office box in the Garrett Park Post Office pay the appropriate fees.
- (c) Unable to confirm or disconfirm. No decision on this hypothetical situation has been made. Nor could a decision be made without further examination of the situation.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-268.** Please refer to your response to DBP/USPS-221. In the description of Procedure 2 in the response to interrogatory DBP/USPS-145 on page 3 of 4, the red line is placed on the mail before it is taken to the IRS (first bullet) and before the green cards are removed (second bullet) and before the mail is actually delivered (third bullet).

- (a) If the red line is supposed to indicate that the Certified Mail has been scanned, shouldn't the red line be placed after the article has been scanned?
- (b) If not, why not?
- (c) Please explain what would happen to a Certified Mail article that was observed not to have the red line on it at the time that the mail was being scanned and turned over to the IRS.
- (d) Please explain what would happen to a Certified Mail article that did not have the red line on it after the mail is turned over to the IRS.

**RESPONSE:**

(a)-(b) Yes. The red line is made when the piece is scanned as delivered. The other bullets are not intended to, and do not, specify that the red line is marked before each individual piece is scanned as delivered.

(c) This would not occur as the red line is marked only once the scan has been completed.

(d) The piece would be returned to a postal employee for scanning, and then brought back to the IRS employees.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-270.** Please refer to your response to OCA/USPS-176. The last page of the report shows a letter dated March 19, 2003 from the District Manager / Postmaster referring to Report Number AC-AR-03-DRAFT.

- (a) What changes were made between the Draft Copy of the report and the final copy?
- (b) Please provide information on the any followup activities that were conducted at the New York post office to ensure compliance with the requirement to ensure accurate delivery times are entered into the system.

**RESPONSE:**

(a) The only substantive change was that management's comments were incorporated and evaluated. Otherwise, some changes that did not affect the substance of the report were made, such as the deletion of some unnecessary *general background information and some grammatical changes.*

(b) See page 8 of the attachment to OCA/USPS-176 and the response to OCA/USPS-176(e).

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-271.** Please refer to your response to OCA/USPS-176. It appears that the main thrust of the New York audit report is that the percentage of manual scans exceeds a management objective of the 5 percent threshold and not the fact that the times for delivery that were being entered into the system were prior to the actual time that the article was delivered or attempted delivery. Please explain where in the report it shows that the incorrect delivery times were investigated or provide information on the investigation that was conducted of this.

**RESPONSE:**

The issue of falsification is discussed throughout the OIG report provided pursuant to the OCA's request in OCA/USPS-176; for example, it is discussed in the last paragraph on page 3 of the report (page 5 of the attachment).

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-275.** Please refer to your response to DBP/USPS-233.

- (a) Please confirm, or explain if you are unable to confirm, that the 772 parcels that were tallied in Quarter 2 for one ounce flat-rate boxes destined to the 8th Zone (where the box itself has a weight of either 7.4 or 8.6 ounces) and the 1303 parcels that had a weight of three ounces and were also destined to the 8th Zone may have only been as the result of perhaps only one or two pieces that then get "multiplied" by a sampling factor to now indicating the 772 one ounce parcels and 1303 three ounce parcels.
- (b) Please provide the actual data that was tallied prior to the conversion to the data that was provided in the response to the POIR.
- (c) Please explain how the conversion was made.
- (d) You refer to USPS T-4 testimony. Please provide a reference to the specific page numbers and line numbers.

**RESPONSE:**

(a) Confirmed.

(b) The data include one piece weighing 2.3 ounces, and one piece weighing 0.5 ounces.

(c)-(d) Please refer to page 8, lines 2 through 4, of witness Pafford's testimony (USPS-T-4). Please also refer to USPS-LR-K-14, pages 14 through 16 (specifically, equations 2, 3, 4, and 7).



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-276.** Please refer to your response to DBP/USPS-201 subpart b.

- (a) Approximately what percentage of the offices that do not provide general retail window hours on Saturday do make arrangements for post office box holders to pick up Express Mail articles that arrive on Saturday in a manner similar to that which is provided at Astoria OR?
- (b) Please explain why those offices that do not provide this service do not do so.

**RESPONSE:**

(a) The Postal Service does not have such data.

(b) The decision to provide a service such as the one in Astoria OR is a local one, and is thus based on local considerations.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-278.** Please refer to your response to DBP/USPS-117 subpart b. The original interrogatory asked for the rationale behind the decision that allows the Postal Service to claim on-time delivery of an Express Mail article at a post office box by placing a notice in the box by the guaranteed time even though the box holder either has no access to the box or the ability to claim the article from the post office personnel.

- (a) Your response to DBP/USPS-117 subpart b just referred to the response to DBP/USPS-82 and stated that "It is appropriate" when my interrogatory asked why it is appropriate. Please explain why it is appropriate for the Postal Service to claim on time delivery when the addressee does not and can not have access to the mailpiece and potentially will not have access to in for another three days.
- (b) Please confirm, or explain if you are unable to confirm, that in order for the Postal Service to be able to claim on-time delivery of an Express Mail article being delivered by a city delivery, rural delivery, or highway contract route delivery carrier, the carrier must attempt to deliver the actual Express Mail article at the addressee's delivery location.

**RESPONSE:**

(a) As noted in the response to DBP/USPS-82(b), the Postal Service considers it to be appropriate to claim on-time delivery when the mailpiece arrives at the destination post office and delivery is attempted before the guaranteed time.

(b) As the response to DBP/USPS-82(a) indicates, confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-279.** Please refer to your response to DBP/USPS-103 subparts b through d. Please provide a copy of the EMCCB process as noted on line two of your response.

**RESPONSE:**

This question mistakenly assumes that the reference to "the EMCCB process" in the response to DBP/USPS-103(b)-(d) is a reference to a document. The Postal Service was referring to the overall process by which changes to the Express Mail network are requested by the field and reviewed by the EMCCB at Headquarters.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-280.** Please refer to your response to DBP/USPS-201. You have indicated that the Astoria OR post office does not have general retail window hours on Saturday. You have also indicated that there is a designated window to allow for claiming Express Mail and other mail. Since the POS terminals may not be activated and since Express Mail and other types of mail will require a scanning on delivery, will this have an effect on the ability to deliver the mail on Saturday at Astoria or in general at other offices that do not provide general retail window service on Saturday or may close the window service prior to the guaranteed Express Mail service standard. Please fully explain your answer and discuss how this will affect delivery and how articles will be scanned.

**RESPONSE:**

There is no impact on delivery because the Express Mail piece would receive a scan from a handheld scanner. Express Mail pieces addressed to a street address would be delivered by the carrier. Express Mail pieces addressed to a post office box would have a notice placed in the box for pickup at the designated window.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-281** Please refer to your response to DBP/USPS-129. Presiding Officer's Ruling No. R2005-1/43 issued on July 8, 2005, compelled a response to DBP/USPS-129. The two remaining questions are the dimensions and weight of each of the 19 categories of mailpieces A through S.

[a] Please provide the dimensions of the mailpiece [letters, cards, and flats] that are associated with each of the 19 categories A through S. Please provide a separate listing of the dimensions that are associated with each of the letters A through S.

[b] Please provide the weight [identify it as either one ounce or two ounces] of the mailpiece that are associated with each of the 19 categories A through S other than the categories that are associated with cards.

[c] Please confirm, or explain if you are unable to confirm, that postcards are limited to a maximum size of 4-1/4 inches high and 6 inches long and that a postcard that was 4-3/4 inches high by 6-1/2 inches long would not be classified as a postcard and would require the payment of the letter rate postage, currently 37¢.

[d] Please confirm, or explain if you are unable to confirm, that the mailpiece referred to in subpart c above is the mailpiece listed as category C and is listed as a CDLTR type since it looks like a postcard but is oversize and therefore categorized as a letter.

**RESPONSE:**

(a-b) The Ruling compelled a general response to the interrogatory, which is what the Postal Service provided.

(c) Confirmed. That is the amount of postage affixed.

(d) Confirmed that the piece in question is the CDLTR.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-282.** Please refer to your response to DBP/USPS-129 subpart c. Evaluation of this chart appears to indicate that a very significant improvement on overnight flats and in all categories of 2- and 3-day mail occurred towards the end of FY 2002 and then has remained fairly level since then. Please provide any explanation on how this improvement was accomplished.

**RESPONSE:**

The performance improvements in two- and three-day performance beginning towards the end of FY 2002 are due to a combination of factors. First, recovery from the anthrax attack on the Postal Service and our customers, which occurred in the first quarter of FY 2002, benefited all categories of service performance. Second, removal of the ban on the transport of mail on commercial airlines also contributed to the improved two- and three-day scores. Third, service performance for flat-shaped mail in particular has benefited from deployment of the AFSM-100. Lastly, increased management attention was placed on two- and three-day service performance beginning in mid-FY 2002.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-283.** Please refer to your response to DFC/USPS-76 revised on July 18, 2005.

- (a) Please advise the reasons behind the decision to utilize these offices as ones that are representative of the United States.
- (b) Please advise the CAG level of each of the ten offices.
- (c) Please describe what the CAG category represents.
- (d) Please advise the EAS/PCES level of each of the ten offices.
- (e) Please describe what the EAS/PCES category represents.
- (f) Please provide the range of CAG and EAS/PCES categories that exist in the country.

**RESPONSE:**

(a) The offices were chosen because they represent a variety of geographical areas, and because they are open on Saturday.

(b)-(f) Objection filed.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-284** Please refer to your response to DBP/USPS-164. Your response failed to answer the specific question that was asked in DBP/USPS-164. Regardless of the percentage involved, it relates to the accuracy of the data collection which relates to the value of service.

**RESPONSE:**

The question gave the Postal Service the option of responding generically. It did. Even if EXFC service performance data were the only factor evaluated in assessing First-Class Mail value of service, within the meaning of 39 USC § 3622(b)(2), the fact that one in 1000 First-Class Mail pieces with a 3-day service standard might get aberrationally fast service has no material bearing on the rate and classification issues in omnibus and classification issues.



**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-285** Please refer to your response to DBP/USPS-173 subpart b. [a] Please clarify what you meant by "depending on the manner in which one measured the envelope." [b] Is there more than one way to measure the thickness of an envelope? [c] What methods are there to measure the thickness of a single envelope? [d] Please confirm or non-confirm the original interrogatory.

**RESPONSE:**

(a-c) One could measure the thickness of a sealed envelope in different locations and get different measurements. One could measure it after applying pressure to make the points of measurement as flat as possible and to obtain the "thinnest" measurements possible. Alternatively, one could measure it after allowing air inside and without applying flattening pressure, obtaining the "thickest" measurements possible. Accordingly, the Postal Service stands by its answer to DBP/USPS-173.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-286** Please refer to your response to DBP/USPS-173 subpart c. Please explain why the Postal Service did not evaluate the thickness of commercially available envelopes when establishing the existing regulation.

Please re-read the answer. In responding to DBP/USPS-173, the Postal Service did not state that it did not evaluate the thickness of commercially available envelopes *at the time that it established the existing regulation*. The Postal Service stated that it did not conduct such an evaluation for the purpose of responding to DBP/USPS-173.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-287** Please refer to your response to DBP/USPS-173 subpart d. Please explain why you are not able to respond to the applicability of the nonmachinable surcharge for a mailpiece as described in my original interrogatory. Why must an acceptance employee examine the mailpiece? The mailpiece has been completely described to allow for a response. What would an examination of the mailpiece reveal that is not already described? Any items that are obviously properly completed, such as the mailpiece is properly addressed or that the envelope is made out of paper and not plastic are to be assumed.

**RESPONSE:**

The Postal Service is not going to hypothesize about the thickness of hypothetical mail pieces. In order to determine the actual thickness of an actual sealed mail piece and whether it meets the specified requirement, the Postal Service will await its presentation to a *window service employee responsible for making such a determination*. The Postal Service cannot explain what such an examination would reveal that is not already described until such an employee has the piece in hand and compares it to the description offered.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-288** Please refer to your response to DBP/USPS-173 subpart e. [a] Please explain the difference between the Postal Service not denying the possibility of such a circumstance and confirming that it is correct. [b] Please respond to the original interrogatory.

**RESPONSE:**

(a) In the one instance, the Postal Service is not denying the possibility of a circumstance.

In the other, the Postal Service is confirming, with certainty, the existence of a circumstance. For instance, the Postal Service does not deny that it is possible for you to direct an interrogatory to it that is material and relevant to the issues raised by its request in this proceeding. On the other hand, the Postal Service confirms, with certainty, that DBP/USPS-288 is not such an interrogatory.

(b) The Postal Service responded to the original interrogatory.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-289** Please refer to your response to DBP/USPS-173 subpart f. For purposes of this interrogatory assume a small size bank check is approximately 2.75 by 6 inches and a large size is approximately 3.5 by 8.5 inches. [a] Please explain the difference between the Postal Service not denying the possibility of such a circumstance and confirming that it is correct. [b] Please respond to the original interrogatory.

(a-b) The Postal Service responded to the original interrogatory. Please also see the responses to DBP/USPS-287 and 288.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-290** Please refer to your response to DBP/USPS-173 subpart g. Please explain why you are not able to respond to the applicability of the nonmachinable surcharge for a mailpiece as described in my original interrogatory. Why must an acceptance employee examine the mailpiece? The mailpiece has been completely described to allow for a response. What would an examination of the mailpiece reveal that is not already described? Any items that are obviously properly completed, such as the mailpiece is properly addressed or that the envelope is made out of paper and not plastic are to be assumed.

**RESPONSE:**

Please see the response to DBP/USPS-287.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-291** Please refer to your response to DBP/USPS-173 subpart h. [a] Please explain why the Postal Service is not able to provide data on the type of mail that it handles. [b] Please advise how a response to my original interrogatory relates to the intentional mailing of an empty envelope. [c] Please respond to the original interrogatory.

**RESPONSE:**

- (a) The Postal Service does not have the data requested in interrogatory DBP/USPS-173(h). On that basis, it is inappropriate to conclude as a general matter that "the Postal Service is not able to provide data on the type of mail it handles."
- (b) Because, empty or otherwise, very few envelopes are mailed unintentionally.
- (c) The Postal Service responded to the original interrogatory.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-292** Please refer to your response to DBP/USPS-173 subpart i. [a] Please explain why the Postal Service is unable to confirm that a specifically described mailpiece is or is not subject to the nonmachinable surcharge. [b] Why must an acceptance employee examine the mailpiece? [c] The mailpiece has been completely described to allow for a response. [d] What would an examination of the mailpiece reveal that is not already described? Any items that are obviously properly completed, such as the mailpiece is properly addressed or that the envelope is made out of paper and not plastic are to be assumed.

**RESPONSE:**

Please see the response to DBP/USPS-287.



**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-293**

Please refer to your response to DBP/USPS-173 subpart j. [a] Please explain why the Postal Service is not able to provide data on the type of mail that it handles. [b] *Please explain why the Postal Service is unable to confirm that a specifically described mailpiece is or is not subject to the nonmachinable surcharge.* [c] Why must an acceptance employee examine the mailpiece? [d] The mailpiece has been completely described to allow for a response. [e] What would an examination of the mailpiece reveal that is not already described? Any items that are obviously properly completed, such as the mailpiece is properly addressed or that the envelope is made out of paper and not plastic are to be assumed.

**RESPONSE:**

Please see the response to DBP/USPS-287.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-294** Please refer to your response to DBP/USPS-173 subpart I. The original interrogatory asked for the percentage of the area that must have a thickness of 0.009 inch to avoid payment of the surcharge. A response of "an unquantifiable substantial majority" does not provide a proper response. Please provide a response expressed as a numerical percentage from 0% to 100%.

**RESPONSE:**

The Postal Service has given you the best answer it can give you.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-295** Please refer to your response to DBP/USPS-173 subpart m. [a] Please explain how the Postal Service can state that single-piece First-Class Mail not meeting the minimum thickness requirement is an extremely uncommon phenomenon if the percentage of the envelope surface area that must exceed the 0.009 inch limit has not been specified. [b] Please explain how the Postal Service can state that single-piece First-Class Mail not meeting the minimum thickness requirement is an extremely uncommon phenomenon if the Postal Service has not examined the thickness of most commercially available envelopes [see DBP/USPS-173 subpart c].

**RESPONSE:**

The statement is based upon consultations among experienced mail acceptance and operations employees with years of experience. It is their considered judgment that mail pieces of the type obsessed over in DBP/USPS-173 are extremely uncommon. The Postal Service has no empirical basis for declaring whether the envelopes it encounters in mail acceptance and processing represent *most* of the commercially available envelopes on the market or whether envelopes used in mailing are representative of *less than a majority* of available envelope models. Either way, the Postal Service is able to stand by its statement.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-296** Please refer to your response to DBP/USPS-173 subpart n. [a] While you may not expect all 280 million or more of your customers to read the Domestic Mail Manual, do you expect them to comply with it? [b] If not why not? [c] Do you expect postal window clerks or other customer service personnel to read and/or be responsible for the content of the Domestic Mail Manual? [d] If not, why not?

**RESPONSE:**

- (a) Yes.
- (b) N/A
- (c) They are expected to refer to it when necessary. Others within the Postal Service are responsible for its content.
- (d) N/A

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-297** Please refer to your response to DBP/USPS-173 subpart p [a] Please provide your best estimate of the percentage of retail windows at post offices have micrometers available. [b] If they do not have a micrometer available, how can they determine compliance with this regulation?

**RESPONSE:**

- (a) The Postal Service has no basis for providing any empirical estimate.
- (b) If no other tools are available, they would be expected to rely on their experience and judgment.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-298** Please refer to your response to DBP/USPS-173 subpart q. If the regulations as written do not allow for any part of the surface area to be less than 0.009 inches thick and if your response to DBP/USPS-173 subpart I provides an interpretation that an unquantifiable substantial majority of the surface area must meet the 0.009 inches thick requirement, please advise how diligence, good faith and assistance of postal personnel will allow for complying with the regulation as written.

**RESPONSE:**

In the same manner that they always have. Please also see the response to DBP/USPS-297(b).

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-299.** Please refer to your response to DBP/USPS-237, 238, and/or 239.

- (a) If the EXFC mailpieces containing PLANET and POSTNET barcodes are scanned during mail processing and the scan data for these pieces are excluded from the Confirm database, what database are they available in and who has access to that data base?
- (b) If they are in a database, what security exists to ensure that the data is only available to those few USPS employees previously identified as having access to EXFC internal information.
- (c) If they are not in a database, what use is made of them and why are the codes included in the first place?

**RESPONSE:**

A partial objection to this interrogatory has been filed.

As previously stated in the response to DBP/USPS-239, such scan data are routed exclusively to the EXFC contractor, who may or may not use a database.

Beyond information already provided, and as previously noted, the Postal Service and most certainly its customers have no need to know exactly what security procedures are involved.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-303.** Please refer to your 7/21/2005 revised response to DBP/USPS-82 subpart e. The DMM states that the article would be available for claim by 10 AM of the second day that the destination office is open for retail business. Monday would be the first day that it is open for retail business. Please reconcile the difference between your response and the DMM wording.

**RESPONSE:**

The referenced DMM language highlights the fact that the post office must be open for retail business in order for Post Office-to-Post Office Express Mail to be available for pick-up. In the situation posited in DBP/USPS-82(e), Monday is the second day, and the post office is open for retail business on that day.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID B. POPKIN INTERROGATORY

**DBP/USPS-304.** Please refer to your response to DBP/USPS-226 subpart e. Please provide insight as to why with respect to provision of retail window service on Saturday, the Pacific Area provides service at approximately one-half that of the central and eastern parts of the country and that the rest of the western part of the country (Southwest and Western Areas) is significantly less than the central and eastern parts of the country.

**RESPONSE:**

As noted in the response to DBP/USPS-226, the decision whether to provide window service on Saturdays is a local decision based on the field's determination of customer needs. Local considerations thus drive the decision whether to provide such service, and the bases for these local decisions are not centrally compiled.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-308**

Please refer to your response to DBP/USPS-297 subpart a. [a] Is a micrometer a standard piece of equipment that is provided to retail windows at post offices? [b] Is the method of utilizing a micrometer provided in the training of retail window clerks? [c] Please provide copies of any training material that explains the method of utilizing a micrometer.

**RESPONSE:**

(a&b) Almost all senders of single-piece mail use cards or envelopes manufactured by firms that either conform their products to meet postal machinability specifications or to indicate the potential need for additional postage. In the rare circumstances in which a minimum thickness issue is raised at a retail window, customers tend to defer to the judgment of the clerk, even if the clerk is not able, at the time, to offer an objective or scientific thickness measurement. Moreover, customers appear to approach window transactions, not as hobbyists overwhelmed by a compulsion to obsess about the application and enforcement of relatively obscure postal regulations, but as if their time has a value considerably greater than the expense of the rare application of an applicable nonmachinable surcharge, and as if they recognized that debating and hypothesizing with a retail clerk about an adverse minimum thickness determination consumed retail window resources that could otherwise be used to reduce the inconvenience to other postal patrons waiting in line for window service. This line of questioning suggests that there may be at least one customer who approaches these matters from a less conventional perspective.

As a consequence of the rarity with which the issue presents itself at retail windows, the Postal Service does not provide micrometers to each of its retail window clerks. On the other hand, micrometers are routinely employed by postal mail design analysts (MDAs) who interact with envelope and card manufacturers, and by bulk mail acceptance clerks, who verify the types of mailings that tend to be the almost exclusive source of pieces that raise concerns about minimum thickness. These

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**RESPONSE to DBP/USPS-308 (continued):**

postal personnel are provided instructions regarding the use of micrometers to measure mailpiece thickness. It can be presumed that window clerks with access to such devices are provided with the same instructions.

(c) Objection filed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-309**

Please refer to your response to DBP/USPS-297 subpart b. Please confirm, or explain if you are unable to confirm, that retail window clerks have the experience and judgment to be able to determine the difference in thickness of an envelope on the order of one or two thousandths of an inch without the benefit of any tools or measuring equipment.

**RESPONSE:**

Retail clerks have the training to be aware of and to know when to consult applicable nonmachinability specifications. They can be presumed to either possess or have access to the judgment and experience of colleagues with which to determine – in the very rare circumstances that arise – whether a piece presented for mailing is of such nonstandard character as to warrant an investigation to determine whether it is nonmachinable and subject to a surcharge. The Postal Service has no estimate of the percentage of its eagle-eyed retail window clerks who might be unable to determine the thickness of an envelope on the order of either one or two thousandths of an inch without the benefit of any tools or measuring equipment, but who can rely on previous experience with (or consultations with colleagues about) similar or identical mail pieces. Nor does the Postal Service have an estimate of the percentage of nonmachinable single pieces presented at the retail windows that are nonmachinable by virtue of missing the minimum thickness by either one or two thousandths of an inch. The Postal Service, however, is certain of the number of postal customers who needlessly obsess about such obscure matters in the context of postal rate case discovery.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF MMA

### MMA/USPS-14

Please refer to Library Reference MMA-LR-1, page 1, where the collection costs are summarized for BY 2004 and TY 2006 using the Commission's and newly proposed USPS cost attribution methodologies for city delivery carriers.

- A. Please confirm that BY 2004 collection costs are \$752 million higher using the Postal Service's methodology (\$904 million) than using the Commission methodology (\$152 million). If you cannot confirm, please explain.
- B. Please confirm that TY 2006 collection costs are \$717 million higher using the Postal Service's methodology (\$910 million) than using the Commission methodology (\$193 million). If you cannot confirm, please explain.
- C. Please explain precisely why the collection costs using the Postal Service's newly proposed methodology are so much higher than the collection costs using the Commission's methodology.
- D. Please explain precisely how collection costs are defined under (1) the Postal Service's methodology and (2) the Commission's methodology, and state precisely where these definitions differ.
- E. Please explain why the collection costs increase 26.4% (\$193 million vs. \$152 million) between BY 2004 and TY 2006 under the Commission's methodology, but increase only 0.6% (\$910 million vs. \$904 million) under the Postal Service's methodology.

### RESPONSE:

A. It can be confirmed that, using the version of USPS-LR-K-101 as revised on June 17, 2005, and applying the methodology defined by witness Schenk in the last case for segregating collection costs, the results shown in MMA-LR-1 yield an estimate of the difference between USPS and PRC base year collection costs as stated in the question. (Although not specified in the question, all of the figures cited pertain to First-Class Single Piece Letters.) It should be noted, however, that closer review reveals that the June 17 revision of USPS-LR-K-101 contained a relevant cell referencing error, and that witness Schenk's R2001-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

methodology omitted relevant portions of collection costs. The details of these errors, and the steps needed to rectify them, are discussed in the attachment to this response. As indicated in that attachment, correcting these errors results in non-trivial increases in the PRC version base year collection costs, and therefore, a decrease in the difference between the USPS and PRC base year collection costs. Nevertheless, the big picture story is the same, as USPS version base year collection costs (\$904 million) are still, as suggested by your question, substantially larger than the (corrected) PRC version costs (\$252 million).

B. It can be confirmed that, using the version of USPS-LR-K-101 as revised on June 17, 2005, and applying the methodology defined by witness Schenk in the last case for segregating collection costs, the results shown in MMA-LR-1 yield an estimate of the difference between USPS and PRC test year collection costs as stated in the question. It should be noted, however, that closer review reveals that witness Schenk's R2001-1 methodology omitted relevant portions of collection costs. The details of this problem, and the steps needed to rectify it, are discussed in the attachment to this response. As indicated in that attachment, correcting this error results in non-trivial increases in the PRC version test year collection costs, and therefore, a decrease in the difference between the USPS and PRC test year collection costs. Nevertheless, the big picture story is the same, as USPS version base year collection costs (\$910 million) are still, as suggested by your question, substantially larger than the (corrected) PRC version costs (\$253 million).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

C. The reason that the collection costs derived with the Postal Service's new methodology are higher than collection costs derived from the old methodology is the fact that the Postal Service employs a more comprehensive and more recent approach to estimating collection costs. The Postal Service's new methodology is "system wide" in the sense it includes all possible channels of causation from collection volume to cost. Specifically, the old methodology is limited to looking at additional load time caused by collection mail, but the new methodology includes both additional access and running time. Because the new methodology looks at all delivery time, it takes a broader view of the possible linkages between collection mail and cost. Similarly, the new approach includes the cost associated with collecting mail at stops that are not receiving mail. In the old LTV study, only stops that were already receiving mail were included, and that study could not look at the possibility that additional volume caused additional stops. In the case of collection, the LTV study did not account for the possibility that collection mail could cause a city carrier to stop where he or she otherwise would not. The new approach includes that cost channel.

Not surprisingly, the new approach leads to a higher amount of volume variable cost being attributed to collection mail. Another possible reason for the change is the fact that the existing study is so dated. It is impossible to know whether the observed change in variability is simply a product of the improved costing procedure, or whether there have also been material changes in carrier operations and/or customer practices (e.g., more mail left in customer mailboxes) since the data were collected for the earlier study in the 1980s.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF MMA**

Finally, another possibility is that the new approach improves the estimation of the variability coefficients. The improvement in the estimation procedures is quite discernible, with much better goodness-of-fit measures generated by the recommended new regular delivery model, as compared with the old load time equations. For example, the established-methodology's SDR load-time regression, which is used to find the primary collection variability, has an R-Square coefficient of only 0.353, and an unusually large coefficient of variation (i.e., ratio of root mean square error to dependent variable mean) equal to 110.9 percent. In contrast, the R-Square coefficient of the regular-delivery regression used to derive the current elasticity of regular delivery time with respect to collections at customer mail boxes is much higher, at 0.818, and the coefficient of variation of this regression is much lower, at only 29.8 percent.

D. The definition of city-route collection costs is the same under both methodologies. Collection costs consist of (1) the costs of time spent by special-purpose route carriers collecting mail from blue street-collection boxes, (2) the costs of time spent by letter-route carriers collecting mail from blue street-collection boxes, and (3) the costs of time spent by letter-route carriers collecting mail at customer delivery points. The two methodologies differ in terms of how they measure and distribute these costs to mail classes and subclasses.

E. As noted above, the June 17 revision to LR-K-101 contains a cell referencing error. That error affected the base year, but not the test year. As shown in the attachment to this response, when the base year error is fixed, the circumstances described in this question are no longer applicable. The



**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

percentage changes between BY and TY collection costs are now comparable in the USPS and PRC versions.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF MMA

### ATTACHMENT TO RESPONSE TO MMA/USPS-14

While the results shown in Library Reference MMA-LR-1 are correct in terms of general orders of magnitude, there are two known exogenous sources of error that impede the complete accuracy of those results. Those are discussed below, with appropriate reference to attached electronic spreadsheets. Also discussed is further detail on the difference between collection costs estimates from the new (USPS) and the old (PRC) methodologies, with similar references to the attached electronic spreadsheets.

#### Base Year Error Carried Over from Revised LR-K-101

First, the \$431,721,000 in cell E11 of sheet 'City Car Costs' in MMA-LR-1 is too low because of an incorrect reference in cell I8 of the 'Summary BY' sheet in "LR-K-101\_Revised.xls". Cell I8 should refer to cell L11, not cell K11, in sheet 'Support Distribution' of "CS06&7.K101.xls". Correcting this reference increases cell I8 from \$25,717,000 to \$272,342,000, and increases cell I4 in the 'Summary BY' sheet in "LR-K-101\_Revised.xls" by \$199,699,000, from \$20,824,000 to \$220,523,000. These corrections are shown in column I of the attached "LR-K-101\_Revised\_Summary BY.xls". The \$199,699,000 increase in cell I4 of 'Summary BY' also increases the \$431,721,000 in cell E11 of 'City Car Costs' by \$199,699,000, producing a corrected total of \$631,419,000. This correction is shown in cell G11 of the new column G in 'City Car Costs' in "MMA-LR-1\_Analysis\_of\_Collection\_Costs.Revised for MMA 14.xls".

The Base Year error that caused cell E11 in 'City Car Costs' to be too low by \$199,699,000 was not, however, repeated for the Test Year. Cells I9 and I5 in the 'Summary TY' sheet of "LR-K-101\_Revised.xls" correctly report Test Year total First-Class single piece Street Support and letter-shape single piece Street Support costs of \$268,423,000 and \$217,296,000, respectively. This \$217,296,000 plus the other street-time costs in cells F5 – H5 of 'Summary TY' equal the correct TY 2006 Segment 7 total of \$619,923,000 shown in cells F11 and H11 of 'City Car Costs' in "MMA-LR-1\_Analysis\_of\_Collection\_Costs.Revised for MMA 14.xls".

## RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF MMA

### Base Year Error Carried Over from Witness Schenk

The second MMA-LR-1 error is its application of the methodology Witness Schenk used in response to R2001-1 MMA/USPS-T42-18(A) to calculate First-Class single piece city collection costs. Part d of this response defines "% Collection Costs" as the sum of collection costs in cells C12, D12, M12, P12, S12, and T12 in worksheet 7.0.3 of CS06&7.xls divided by the sum of cells E11, F11, and G11 in worksheet 'Outputs to CRA'. Part d defines "% Delivery Costs for Cost Segment 7" as 1 minus this "% Collection Costs". MMA-LR-1 uses these definitions to calculate a BY 2004 total First-Class single piece Collection cost of \$75,818,000 in cell E14 of 'City Car Costs', and "% Collection" and "% Delivery" percentages of 15.16% and 84.84%, respectively, in cells E16 and E13.

These cell E13, E14, and E16 costs and percentages are incorrect, because collection cost defined as the sum of cells C12, D12, M12, P12, S12, and T12 in worksheet 7.0.3 fail to include the collection portions of the SDR, MDR, and BAM load-time costs in cells G12, H12, and I12 of that worksheet. For BY 2004, these cell G12 - I12 collection costs, which are costs of collecting First-Class single piece mail at customer delivery points, equal the cell G11 costs in sheets '7.0.6.5,' '7.0.6.6,' and '7.0.6.7' of the PRC-version CS06&7.xls. They sum to a total of \$38,010,000. Adding this \$38,101,000 to the \$75,818,000 in cell E14 of 'City Car Costs' increases the BY 2004 city collection cost to the correct \$113,827,000 shown in cell G14 of 'City Car Costs' in "MMA-LR-1\_Analysis\_of\_Collection\_Costs.Revised for MMA 14.xls". Moreover, this increase causes the "% Collection Cost" to increase to 22.76%, the '% Delivery Cost' to fall to 77.24%, and the total BY 2004 city collection cost to increase to \$185,314,000, as shown in cells column G of this 'City Car Costs' worksheet. Finally, at this higher total city collection cost, the BY 2004 "PRC Current Methodology" BY 2004 total collection cost increases to \$251,636,000, as shown in cell C6 of the 'Summary' sheet and cell C26 of the 'Cover' sheet in "MMA-LR-1\_Analysis\_of\_Collection\_Costs.Revised for MMA 14.xls". Therefore, the total

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF MMA**

BY 2004 collection cost is now \$653 million higher (not \$752 million higher) using the Postal Service's methodology (\$904 million) than using the Commission methodology.

### **Test Year Error Carried Over from Witness Schenk**

The second of the two errors identified above -- the failure to include costs of collections at SDR, MDR, and BAM delivery points -- affects the Test Year as well as Base Year calculations. 84.84% is too high for the Test Year "% Delivery Costs," just as it was for the Base Year, and 77.24% is the correct "% Delivery Costs" for both years. At this 77.24%, cell H30 of 'City Car Costs' in "MMA-LR-1\_Analysis\_of\_Collection\_Costs.Revised for MMA 14.xls" calculates a TY06 city collection cost of \$184,545,000, instead of \$123,893,000, and this \$184,545,000 increases the TY 2006 "PRC Current Methodology" value to the correct grand total collection cost of \$253,158,000, as shown in cell C7 of the 'Summary' sheet, and cell C27 of the 'Cover' sheet. The total TY 2006 collection cost is thus \$657 million higher (not \$717 million higher) using the Postal Service's methodology (\$910 million) than it is using the Commission methodology.

### **Comparison of Old and New Versions of Collection Costs**

The reason that collection costs derived from the Postal Service's new methodology are higher than collection costs derived from the previous methodology is the new, much higher estimate of the costs of collections at customer delivery points. The existing methodology BY 2004 estimate of the cost of collecting First-Class single piece mail at customer delivery points is \$38,010,000. In contrast, the Postal Service's new estimate is \$587,282,000, which equals the sum of cells G11 in sheets '7.0.6.5,' '7.0.6.6,' '7.0.6.7,' '7.0.6.8' and '7.0.6.9' of the USPS-version BY 2004 CS06&7.xls.

The details of this result are shown in the new worksheet 'PRC-USPS BY04 City' in "MMA-LR-1\_Analysis\_of\_Collection\_Costs.Revised for MMA 14.xls". Column B of this new sheet shows the PRC elasticities of SDR, MDR, and BAM load times with respect to collections at customer deliveries.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

Multiplication of each elasticity by the accrued load-time cost defines the SDR, MDR, and BAM volume-variable collection costs, which sum to \$40,506,000 in cell B11, which, in turn, equals 1.62% of the \$2,495,604,000 total accrued load-time cost. The PRC-Version CS06&7 distributes \$38,010,000 of this \$40,506,000 to First-Class single piece.

In contrast to the \$2,495,604,000 PRC accrued cost, the relevant USPS accrued cost is the \$7,111,994,000 total delivery-time cost (cell C10). The USPS total volume-variable cost of collections at customer deliveries equals this \$7,111,994,000 times the 8.8% elasticity. Of the resulting \$625,855,000, \$587,282,000 is distributed to First-Class single piece (cell C13).

5,619,257
3,450,883



MMA-LR-1

Analysis of Collection Costs

This library reference utilizes the methodology provided by USPS witness Schenk in response to MMA/USPS-T43-18 A and B in Docket No. R2001-1 to estimate collection costs. This methodology is applied to the city and rural delivery cost analysis provided by the Postal Service in USPS-LR-K-101, which updates the delivery costs using the current PRC delivery cost attribution methodology from the last rate case.

The collection costs using the PRC delivery cost attribution methodology are compared to the collection costs using the USPS proposed delivery cost attribution methodology, as provided in library references, USPS-LR-K-67 and USPS-LR-K-145.

Collection costs using the USPS proposed delivery cost attribution methodology are 494% higher in the base year and 373% higher in the test year, compared to collection costs using the PRC delivery cost attribution methodology.

The results are summarized in the table below.

Comparison of First-Class Single Piece Collection Costs Using the Current PRC and the USPS Proposed City Carrier Cost Attribution Methodologies  
(\$ 000's)

FY	PRC Current Methodology	PRC Current Methodology, Corrected	USPS Proposed Methodology	Increase	Increase, Corrected	% Increase	% Increase, Corrected
BY 2004	152,307	251,636	904,283	751,976	652,647	494%	259%
TY 2006	192,506	253,158	909,788	717,283	656,631	373%	259%



Summary of City and Rural Route Collection Costs For First-Class Single Piece Letters  
(\$ 000's)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
FY	PRC Current Methodology	PRC Current Methodology, Corrected	USPS Proposed Methodology	Increase	Increase, Corrected	% Increase	% Increase, Corrected
BY 2004	152,307	251,636	904,283	751,976	652,647	494%	259%
TY 2006	192,506	253,158	909,788	717,283	656,631	373%	259%

- (1) "City Car Costs", page 3 and "Rural Car Costs", page 4  
 (2) "USPS Costs", page 2  
 (3) (2) - (1)  
 (4) (2) / (1)

Derivation of Collection Costs for First-Class Single Piece Letters  
Using USPS Proposed Delivery Cost Methodology  
(\$ 000's, Except for Piggyback Factors)

**With Collection Costs - USPS-LR-K-67**

		Base Year 2004			Test Year 2006		
		City Carriers	Rural Carriers	Total	City Carriers	Rural Carriers	Total
[1]	Total Direct Cost	2,018,704	227,766	2,246,470	1,992,817	234,468	2,227,284
[2]	Piggyback Factor	1.249	1.175		1.266	1.182	
[3]	Total Piggy Cost	2,521,653	267,677	2,789,330	2,523,776	277,115	2,800,891

**Without Collection Costs - USPS-LR-K-145**

		Base Year 2004			Test Year 2006		
		City Carriers	Rural Carriers	Total	City Carriers	Rural Carriers	Total
[4]	Total Direct Cost	1,347,151	172,103	1,519,254	1,327,907	177,167	2,227,284
[5]	Piggyback Factor	1.249	1.175		1.266	1.182	
[6]	Total Piggy Cost	1,682,786	202,261	1,885,047	1,681,710	209,392	1,891,103
[7]	<b>Total Collection Costs</b>	<b>838,867</b>	<b>65,416</b>	<b>904,283</b>	<b>842,066</b>	<b>67,723</b>	<b>909,788</b>

- [1] "K-67 BY", K-145 BY"
- [2] "K-67 BY", K-145 BY"
- [3] [1] \* [2]
- [4] "K-67 TY", K-145 TY"
- [5] "K-67 TY", K-145 TY"
- [6] [4] \* [5]
- [7] [3] - [6]

Derivation of City Carrier Collection Costs For First-Class Single Piece Letters  
Using the Current PRC Delivery Cost Attribution Methodology  
'000's except for %'s and cents)

		R2001-1		R2005-1			
City Carrier Costs		BY 2000	TY 2003	BY2004	TY 2006	BY2004 Corrected	TY 2006, Corrected
[1]	A) City Carrier In-Office Costs	1,121,119	1,139,083	919,839	904,246	919,839	904,246
[2]	B) % Delivery Costs for City Carrier In-Office:	99.75%	99.75%	99.75%	99.75%	99.75%	99.75%
[3]	C) Cost Segment 7 Costs:	490,750	518,072	431,721	619,923	631,419	619,923
[4]	D) % Delivery Costs for Cost Segment 7	79.70%	79.70%	84.84%	84.84%	77.24%	77.24%
[5]	Collection Costs	68,379		75,818		113,827	
[6]	Total Costs	336,828		500,222		500,222	
[7]	% Collection Costs	20.30%		15.16%		22.76%	
[8]	E) Piggyback Factor	1.351	1.366	1.269	1.288	1.269	1.288
[9]	F) City Carrier Delivery Volumes	21,308,674		17,565,046		17,565,046	
[10]	Unit Cost Without Collection:	9.57		9.28		10.16	
[11]	Unit Cost With Collection:	10.22		9.77		11.21	
[12]	Delivery Costs With Collections	2,177,635	2,263,674	1,715,719	1,962,496	1,969,224	1,962,496
[13]	Delivery Costs Without Collections	2,039,253	2,116,118	1,629,734	1,838,602	1,783,910	1,777,950
[14]	Collection Costs	\$ 138,382	\$ 147,557	\$ 85,985	\$ 123,893	\$ 185,314	\$ 184,545

- [1] "summary BY" per USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 A  
 [2] USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 A  
 [3] "summary BY" per USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 A  
 [4] 1 - [7]  
 [5] "7.0.3" per USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 A  
 [6] "Outputs to CRA" per USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 A  
 [7] [5] / [6]  
 [8] "summary BY"  
 [9] "R01 Delivery Volumes"  
 [10] ((( [1] + [2] ) + ( [3] + [4] ) ) \* [8] ) / [9] \* 100 per Schenk's response to MMA/USPS-T43-18 A  
 [11] ( [1] + [3] ) \* [8] / [9] \* 100  
 [12] ( [1] + [3] ) \* [8]  
 [13] ( [1] \* [2] + [3] \* [4] ) \* [8] per USPS witness Schenk's response to MMA/USPS-T43-18 A  
 [14] [12] - [13]

<b>Volume Variabilities of Load Time and Total Delivery Time with Respect to Collections, and the Resulting Volume Variable Costs</b>	<b>PRC-Version BY 2004 CS06&amp;7.xls</b>	<b>USPS-Version BY 2004 CS06&amp;7.xls</b>
Volume Variability of SDR Load Time With Respect to Collections at Customer Delivery Points	2.48%	N/A
Volume Variability of MDR Load Time With Respect to Collections at Customer Delivery Points	0.55%	N/A
Volume Variability of SDR Load Time With Respect to Collections at Customer Delivery Points	0.70%	N/A
Volume Variability of Delivery Time With Respect to Collections at Customer Delivery Points	N/A	8.80%
Accrued SDR Load Time Cost	1,364,615	N/A
Accrued MDR Load Time Cost	835,501	N/A
Accrued BAM Load Time Cost	295,487	N/A
Total Accrued Load Time Cost	2,495,604	N/A
Total Accrued Delivery-Time Cost	N/A	7,111,994
Total Volume-Variable Cost for Collections at Customer Delivery Points	40,506	625,855
Percentage of total Accrued Cost that is Volume Variable Collection Cost	1.62%	8.80%
Volume-Variable Cost for Collections at Customer Delivery Points Distributed to First-Class Single Piece Mail	38,010	587,282

Derivation of Rural Route Collection Costs For First-Class Single Piece Letters  
Using the Current PRC Delivery Cost Attribution Methodology  
(,000's except for %'s and cents)

	Rural Carrier Costs	R2001-1		R2005-1	
		BY 2000	TY 2003	BY2004	TY 2006
[1]	A) Rural Carrier Costs (C/S 10)	258,211	267,252	236,880	243,697
[2]	B) Piggyback Factor	1.236	1.247	1.187	1.194
[3]	C) Delivery Unit Cost Key	85.30%	85.30%	76.42%	76.42%
[4]	Collection Costs	43,932		55,862	
[5]	Total Costs	356,510		305,043	
[6]	% Collection Costs	12.32%		18.31%	
[7]	Letter Cost Distribution Key	83.83%		77.65%	
[8]	D) Rural Carrier Volumes	7,344,088		7,443,456	
[9]	Unit Cost Without Collection:	3.71		2.89	
[10]	Unit Cost With Collection:	4.35		3.78	
[11]	Delivery Costs With Collections	319,149	333,263	281,235	290,948
[12]	Delivery Costs Without Collections	272,235	284,274	214,913	222,336
[13]	Collection Costs	46,914	48,989	66,322	68,612

- [1] "summary BY" per USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 B  
[2] "summary BY"  
[3] "summary BY" per USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 B  
[4] 1 - [7]  
[5] "7.0.3" per USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 B  
[6] "Outputs to CRA" per USPS witness Schenk's response to R2001-1 MMA/USPS-T43-18 B  
[7] [5] / [6]  
[8] "Rural Crosswalk"  
[9] (( [1] \* [2] \* [3] ) / [8] ) \* 100 per Schenk's response to MMA/USPS-T43-18 B  
[10] (( [1] \* [2] ) / [8] ) \* 100  
[11] [1] \* [2]  
[12] [1] \* [2] \* [3]  
[13] [11] - [12]

The following table provides the source documents for the data used in pages 2-4 of MMA-LR-K-1

Worksheet	Docket	Library Reference	File Name	Tab Name
R01 summary BY	R2001-1	USPS-LR-J-117	LR-J-117 Revised	summary BY
R01 7.0.3	R2001-1	USPS-LR-J-117	CS06&7	7.0.3
R01 Outputs to CRA	R2001-1	USPS-LR-J-117	CS06&7	Outputs to CRA
R01 Delivery Volumes	R2001-1	USPS-LR-J-117	LR-J-117 Revised	Delivery Volumes
R01 Letters 93	R2001-1	USPS-LR-J-117	LR-J-117 Revised	Letters 93
R01 Rural Crosswalk	R2001-1	USPS-LR-J-117	LR-J-117 Revised	Rural Crosswalk
R01 summary TY	R2001-1	USPS-LR-J-117	LR-J-117 Revised	summary TY
R05 summary BY	R2005-1	USPS-LR-K-101	LR-K-101 Revised 6-17-05	summary BY
R05 7.0.3	R2005-1	USPS-LR-K-93	CS06&7	7.0.3
R05 Outputs to CRA	R2005-1	USPS-LR-K-93	CS06&7	Outputs to CRA
R05 Delivery Volumes	R2005-1	USPS-LR-K-101	LR-K-101 Revised 6-17-05	Delivery Volumes
R05 Letters 93	R2005-1	USPS-LR-K-101	LR-K-101 Revised 6-17-05	Letters 93
R05 Rural Crosswalk	R2005-1	USPS-LR-K-101	LR-K-101 Revised 6-17-05	Rural Crosswalk
R05 summary TY	R2005-1	USPS-LR-K-101	LR-K-101 Revised 6-17-05	summary TY
K-67 BY	R2005-2	USPS-LR-K-67	USPS-LR-K-67 Revised	11.sumBYInOffDalstoFltsPrclCwik
K-67 TY	R2005-3	USPS-LR-K-67	USPS-LR-K-67 Revised	2.summary TY
K-145 BY	R2005-4	USPS-LR-K-145	LR-K-67 Revised.2nd.Without.Collection.Costs	11.sumBYInOffDalstoFltsPrclCwik
K-145 TY	R2005-5	USPS-LR-K-145	LR-K-67 Revised.2nd.Without.Collection.Costs	2.summary TY

## R01 summary BY

SPS LR-J-117

Page 1 of 2

	BY %DPS ***	unit 6.1 cost	(000s) 6.1	(000s) 6.2	(000s) 7.1	(000s) 7.2	(000s) 7.3	(000s) 7.4	(000s) 10	(000s) total piggled	(000s) Permit Volume **	City Carrier Unit Cost	Rural Carrier Unit Cost	Total Unit Cost	Local Key	Rural Key
Single-Piece Letters		0.0202	948,459	172,860	6,967	87,697	181,249	214,837	258,211	2,498,784	47,033,105	0.0483	0.0088	0.053	78%	84%
Single-Piece Flats		0.0314	151,940	27,660	718	9,033	18,925	32,029	44,771	379,989	4,844,701	0.0670	0.0114	0.0784	8%	15%
Single-Piece Parcels		0.0230	11,301	2,057	73	917	31,253	7,012	5,041	77,311	491,729	0.1448	0.0127	0.1572	14%	2%
First-Class Single-Piece BY*		0.0212	1,111,700	202,377	7,758	97,647	231,427	253,878	308,023	2,954,084	52,369,535	0.0491	0.0073	0.0584		
First-Class Single-Piece Cards BY*		0.0221	60,145	10,949	130	6,595	14,266	14,208	17,353	185,139	2,719,298	0.0528	0.0079	0.0607		
Nonautomation -- Nonmach Mixed ADC	0.00%	0.0265	4,452	810	26	183	842	982	1,725	11,946	168,013	0.0584	0.0127	0.0711	43%	
Nonautomation -- Nonmach ADC	0.00%	0.0265	4,397	800	26	161	831	970	1,704	11,799	165,947	0.0584	0.0127	0.0711		
Nonautomation -- Mach Mixed AADC	75.47%	0.0103	5,884	1,071	90	557	2,874	1,834	3,260	20,367	573,642	0.0285	0.0070	0.0355		
Nonautomation -- Mach AADC	75.47%	0.0103	3,392	617	52	321	1,656	942	1,879	11,740	330,844	0.0285	0.0070	0.0355		
Nonautomation -- Nonmach 3-Digit	0.00%	0.0285	21,913	3,989	130	803	4,143	4,833	8,490	58,802	827,002	0.0584	0.0127	0.0711		
Nonautomation -- Nonmach 5-Digit	0.00%	0.0285	17,252	3,141	102	632	3,262	3,805	6,684	46,296	651,120	0.0584	0.0127	0.0711		
Nonautomation -- Mach 3-Digit	77.71%	0.0098	10,839	1,973	174	1,077	5,555	3,061	8,151	38,196	1,108,831	0.0276	0.0069	0.0344		
Nonautomation -- Mach 5-Digit	77.71%	0.0098	2,862	521	46	284	1,467	808	1,624	10,086	292,807	0.0276	0.0069	0.0344	4118005.8	
Automation Mixed AADC	73.78%	0.0106	26,614	4,845	394	2,432	12,549	7,307	14,495	90,950	2,504,847	0.0282	0.0072	0.0383	0.051	
Automation AADC	76.35%	0.0101	26,991	4,913	421	2,603	13,430	7,544	15,092	94,066	2,660,656	0.0281	0.0070	0.0351		
Auto 3-Digit Letters	78.98%	0.0099	216,859	39,477	3,431	21,198	109,377	60,898	122,078	759,808	21,832,339	0.0279	0.0069	0.0348		
Auto 5-Digit Letters CSBCS/Manual Site	39.07%	0.0181	63,487	11,554	551	3,406	17,576	15,064	27,693	184,801	3,508,299	0.0429	0.0098	0.0527		
Auto 5-Digit Letters Other Sites	95.84%	0.0059	54,112	9,851	1,448	8,944	46,152	18,800	40,958	238,549	9,212,148	0.0204	0.0055	0.0259		
Auto 5-Digit Letters	80.19%	0.0092	117,579	21,404	1,999	12,351	63,728	33,864	68,651	423,350	12,720,447	0.0266	0.0067	0.0333		
Auto CR Letters	40.82%	0.0177	19,048	3,467	169	1,044	5,387	4,542	8,374	55,754	1,075,333	0.0422	0.0096	0.0518		
Presort Letters Subtotal	73.692891%	0.0106	478,081	87,031	7,061	43,626	225,102	131,190	260,203	2,056,311	44,931,628	0.0292	0.0166	0.0456	97%	98%
.0113=84%DPS+36%*.0206								0.0058	Nonautomation	Nonautomation	Nonautomation	Nonautomation	Nonautomation	Nonautomation	Nonautomation	Nonautomation
0.0265 nonDPS unit cost (FY93 LIOCAT Costs wage rate adjusted to FY00 dollars)								0.0340	1,311	1,295	4,478	2,580	8,452	5,080	8,651	2,284
0.0050 DPS unit cost by solving equation								0.0139	536	529	1,828	1,054	2,636	2,075	3,534	933
0.0215 dps savings								0.0201	1,311	1,295	2,478	1,428	6,452	5,080	4,675	1,234
									1,725	1,704	3,260	1,879	8,490	6,684	6,151	1,624
Presort Flats		0.0344	25,260	4,588	115	713	4,291	5,457	3,739	59,167	733,863	0.0743	0.0063	0.0806	2%	1%
Presort Parcels		0.0384	383	70	2	10	1,572	318	275	3,518	9,960	0.3182	0.0340	0.3523	1%	0%
Presort Nonletters		0.0345	25,643	4,668	117	722	5,883	5,775	4,014	62,683	743,843	0.0776	0.0087	0.0843	3%	2%
Presort Subtotal BY*		0.0110	503,724	91,699	7,178	44,348	230,965	136,665	264,217	1,695,644	45,675,470	0.0300	0.0071	0.0371		
NonAuto Presort Cards	76.83%	0.0058	3,873	705	19	815	2,975	1,331	3,044	18,926	868,129	0.0197	0.0058	0.0253		
Auto Mixed AADC Cards	73.78%	0.0062	1,382	252	6	272	993	461	995	5,788	223,012	0.0204	0.0055	0.0260		
Auto AADC Cards	76.35%	0.0059	1,368	255	7	291	1,063	478	1,064	8,069	238,066	0.0198	0.0056	0.0254		
Auto 3-Digit Cards	76.98%	0.0058	5,278	961	25	1,114	4,068	1,817	4,168	23,120	913,723	0.0197	0.0056	0.0253		
Auto 5-Digit Cards	80.19%	0.0054	3,267	595	17	743	2,714	1,184	2,841	15,026	809,484	0.0189	0.0058	0.0247		
Auto CR Cards	40.82%	0.0105	926	169	2	106	394	254	303	2,884	88,394	0.0284	0.0042	0.0326		
Auto 5-Digit Cards CSBCS/Manual Site	39.07%	0.0107	1,799	328	5	205	748	490	568	5,544	168,086	0.0288	0.0042	0.0330		
Auto 5-Digit Cards Other Sites	95.84%	0.0033	1,468	267	12	538	1,965	675	2,273	9,482	441,388	0.0151	0.0064	0.0215		
Presort Cards Subtotal BY*	76.17%	0.0059	15,028	2,736	71	3,116	11,376	5,131	12,435	66,113	2,555,124	0.0199	0.0060	0.0259		
.0074=61%DPS+39%*.0156								0.0049	nonauto	auto maad	auto ead	3d	5d	cr		
0.0158 nonDPS unit cost (FY93 LIOCAT Costs wage rate adjusted to FY00 dollars)								0.0340	1,863	622	685	2,547	1,699	246	489	1,230
0.0028 DPS unit cost by solving equation								0.0139	4,559	1,522	1,629	6,235	4,159	603	1,147	3,012
0.0130 dps savings								0.0201	3,934	1,286	1,401	5,386	3,872	392	734	2,938
									3,044	995	1,084	4,188	2,841	303	568	2,273
Standard Mail																
Nonautomation -- Nonmach Mixed ADC	0.00%	0.0145	2,988	544	69	120	998	731	1,981	9,825	205,537	0.0359	0.0119	0.0478		
Nonautomation -- Nonmach ADC	0.00%	0.0145	3,486	635	80	141	1,185	854	2,312	11,470	239,945	0.0359	0.0119	0.0478		
Nonautomation -- Mach Mixed AADC	75.47%	0.0097	5,207	948	179	313	2,586	1,433	2,853	17,981	534,896	0.0270	0.0066	0.0336		
Nonautomation -- Mach AADC	75.47%	0.0097	3,378	615	116	203	1,684	930	1,533	11,273	346,923	0.0270	0.0065	0.0325		
Nonautomation -- Nonmach 3-Digit	0.00%	0.0145	18,426	2,980	378	682	5,489	4,022	10,896	54,042	1,130,539	0.0359	0.0119	0.0478		
Nonautomation -- Nonmach 5-Digit	0.00%	0.0145	21,328	3,882	491	880	7,126	5,222	14,146	70,163	1,487,774	0.0359	0.0119	0.0478		
Nonautomation -- Mach 3-Digit	77.71%	0.0096	9,282	1,690	323	566	4,686	2,587	5,037	32,121	967,320	0.0268	0.0064	0.0332		
Nonautomation -- Mach 5-Digit	77.71%	0.0096	8,891	1,618	310	543	4,498	2,459	4,825	30,766	926,523	0.0268	0.0064	0.0332		
Automation Mixed AADC	73.78%	0.0098	23,188	4,221	787	1,379	11,433	6,357	12,794	79,947	2,354,964	0.0272	0.0067	0.0339		
Automation AADC	76.35%	0.0097	27,841	5,068	961	1,684	13,960	7,678	15,196	96,221	2,875,477	0.0269	0.0065	0.0335		
Automation 3-Digit Letters	78.98%	0.0096	150,426	27,384	5,215	9,136	75,741	41,532	81,695	520,196	15,800,802	0.0269	0.0065	0.0333		
Automation 5-Digit Letters	80.19%	0.0094	105,922	19,282	3,752	6,572	54,484	29,457	58,858	367,436	11,222,414	0.0265	0.0063	0.0327		
Standard Letters Subtotal	71.50%	0.0100	378,358	68,878	12,661	22,179	183,870	103,240	210,328	1,301,442	37,872,914	0.0275	0.0089	0.0344	81%	43%
.0115=62%DPS+38%*.0144								0.0056	Nonautomation	Nonautomation	Nonautomation	Nonautomation	Nonautomation	Nonautomation	Nonautomation	Nonautomation

nonDPS unit cost (FY93 LIOCATT Costs wage rate adjusted to FY00 dollars)  
 0.0002 DPS unit cost by solving equation  
 0.0063 dps savings

0	1,285	1,500	3,344	2,189	7,069	9,178	49	5,794
0.0201	525	613	1,366	613	2,888	3,750	471	2,367
	1,285	1,500	1,851	995	7,069	9,178	3,268	3,131
	1,981	2,312	2,853	1,533	10,896	14,146	5,037	4,825

	BY %DPS	unit 6.1 cost	(000s) 6.1	(000s) 6.2	(000s) 7.1	(000s) 7.2	(000s) 7.3	(000s) 7.4	(000s) 10	total piggied	(000s) Permit Volume			Total Unit Cost	Load Key	Rural Key
Regular Flat Subtotal		0.0238	375,983	68,442	5,272	9,236	28,186	75,514	269,590	1,094,992	15,771,844	0.0483	0.0211	0.0694	24%	52%
Regular Parcel Subtotal		0.0298	21,202	3,860	238	417	17,253	8,661	12,166	82,237	711,753	0.0644	0.0211	0.1155	15%	5%
Regular Nonletter Subtotal		0.0241	397,184	72,301	5,510	9,653	116,906	93,255	281,757	1,288,997	16,483,597	0.0571	0.0211	0.0782		
Regular Total BY*		0.0143	775,523	141,179	18,171	31,832	300,776	196,495	492,085	2,590,441	54,356,511	0.0365	0.0112	0.0477		
ECR Basic Auto Letters		0.0025	5,586	1,017	1,233	3,732	11,729	3,711	43,917	90,930	2,274,896	0.0161	0.0239	0.0400		
ECR Basic Letters		0.0128	60,075	10,936	2,549	7,718	24,254	16,811	76,186	260,185	4,704,166	0.0353	0.0200	0.0553		
ECR High Density Letters		0.0085	4,750	865	270	817	2,587	1,477	4,520	20,168	497,969	0.0293	0.0112	0.0405		
ECR Saturation Letters		0.0035	18,331	2,791	2,383	7,244	22,766	8,049	40,076	129,019	4,415,653	0.0180	0.0112	0.0282		
ECR Letters Subtotal		0.0072	85,741	15,609	6,445	19,511	61,317	30,047	164,698	500,302	11,892,684	0.0250	0.0171	0.0421	26%	38%
ECR Basic Flats		0.0120	154,358	28,100	6,979	21,129	83,865	48,496	156,196	671,980	12,879,082	0.0372	0.0150	0.0522		
ECR High Density Flats		0.0075	11,508	2,095	832	2,519	11,192	4,483	15,176	63,034	1,535,675	0.0288	0.0122	0.0410		
ECR Saturation Flats		0.0038	38,096	6,571	5,081	15,382	68,334	20,942	92,660	321,343	9,378,070	0.0221	0.0122	0.0343		
ECR Basic Parcels		0.1744	2,508	457	8	24	105	494	-	4,879	14,383	0.3392	0.0000	0.3392		
ECR High Density Parcels		3.2261	821	149	0	0	2	155	5	1,536	254	6.0140	0.0238	6.0379		
ECR Saturation Parcels		1.2436	3,094	583	1	4	18	586	48	5,850	2,488	2.3275	0.0238	2.3513		
ECR Basic Nonletters		0.0122	156,866	28,557	6,987	21,153	93,970	48,990	156,227	676,997	12,893,465	0.0375	0.0150	0.0525		
ECR High Density Nonletters		0.0080	12,327	2,244	832	2,520	11,194	4,638	15,178	64,566	1,535,929	0.0298	0.0122	0.0420		
ECR Saturation Nonletters		0.0042	38,190	7,134	5,082	15,386	68,353	21,529	92,680	327,158	9,378,558	0.0227	0.0122	0.0349		
ECR NonLetters Subtotal		0.0088	208,383	37,935	12,901	39,059	173,516	75,157	264,085	1,068,621	23,807,952	0.0312	0.0137	0.0449	74%	62%
ECR Total BY*		0.0082	294,124	53,544	19,346	58,570	234,833	105,204	428,783	1,568,923	35,700,636	0.0291	0.0148	0.0439	100%	100%

\*BY costs from the CRA Segments and Components Report, USPS-T-11 (Witness Meehan)

6.1 for letters based on DPS calculations (93 vs. 98)

6.1 for flats based on LIOCATT 98

6.1 for ECR based on LIOCATT

6.2 distributed in proportion to 6.1

7.1 distributed on basis of volume

7.2 distributed on basis of volume

7.3 distributed to shape by elemental load key, then by volume within rate category

7.4 distributed in proportion to sum of 6.1 through 7.3 costs

10 distributed to shape by rural key, then by dps% rate category

	city	rural
Piggys		
Single-Piece	1.351	1.236
Presort	1.349	1.236
SP Cards	1.352	1.235
Presort Cards	1.355	1.235
ECR	1.357	1.236
Reg	1.354	1.236



R01 7.0.3

USPS-LR-J-117

Base Year 2000 - USPS Version

CS 7 CITY CARRIERS STREET

WS 7.0.3 LETTER &amp; SPR COST SUMMARY

68,379

336,828

20.30%

79.7%

File CS06&amp;7

7.0.3

1 of 6

LINE NO	CLASS, SUBCLASS, OR SPECIAL SERVICE	LOAD COLLECTION SPR 46.1	LOAD COLLECTION LTR 46.2	LOAD SPR NON-ACCT DELIV 46.3	LOAD SPR ACCT DELIV 46.4	LOAD SDR 46.5	LOAD MDR 46.6	LOAD BAM 46.7	TOTAL LOAD 46	NOT USED BY USPS
	COLUMN NUMBER CALCULATIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) =C1..C7	(9)
	UNITS COLUMN SOURCE/NOTES	\$(000) WS 7.0.6 C1 + C2	\$(000) WS 7.0.6 C3 + C4	\$(000) WS 7.0.6 C5	\$(000) WS 7.0.6 C6	\$(000) WS 7.0.6.5 C8	\$(000) WS 7.0.6.6 C8	\$(000) WS 7.0.6.7 C8	\$(000)	\$(000) Not Used By USPS
1	<b>FIRST-CLASS MAIL:</b>									
2	SINGLE-PIECE LETTERS	3,442	8,038	73	-	112,210	71,925	35,739	231,427	-
3	PRESORT LETTERS	-	-	64	-	103,228	117,163	10,510	230,965	-
4	TOTAL LETTERS	3,442	8,038	136	-	215,438	189,088	46,250	462,392	-
5	SINGLE-PIECE CARDS	179	417	4	-	6,470	6,006	1,191	14,266	-
6	PRESORT CARDS	-	-	4	-	5,464	5,467	442	11,376	-
7	TOTAL CARDS	179	417	8	-	11,933	11,472	1,633	25,642	-
8	<b>TOTAL FIRST-CLASS</b>	3,620	8,456	144	-	227,371	200,560	47,882	468,034	-
9	PRIORITY MAIL	65	151	1,005	-	23,298	10,014	6,021	40,554	-
10	EXPRESS MAIL	257	674	-	1,602	8,252	1,482	4,421	16,689	-
11	MAILGRAMS	-	-	3	-	55	31	2	91	-
12	<b>PERIODICALS:</b>									
13	IN-COUNTY	-	-	11	-	3,978	1,062	164	5,215	-
14	OUTSIDE COUNTY:	-	-	-	-	-	-	-	-	-
15	REGULAR	-	-	85	-	32,149	8,587	1,326	42,147	-
16	NON-PROFIT	-	-	25	-	9,548	2,550	394	12,518	-
17	CLASSROOM	-	-	1	-	284	76	12	372	-
18	<b>TOTAL PERIODICALS</b>	-	-	122	-	45,959	12,275	1,896	60,252	-
19	<b>STANDARD A:</b>									
20	SINGLE PIECE RATE	-	-	-	-	-	-	-	-	-
21	COMMERCIAL STANDARD:									
22	ENHANCED CARR RTE	-	-	69	-	145,657	77,159	1,698	224,583	-
23	REGULAR	-	-	90	-	149,853	86,420	9,775	246,138	-
24	TOTAL COMMERCIAL	-	-	159	-	295,510	163,579	11,473	470,721	-
25	AGGREGATE NONPROFIT:	-	-	-	-	-	-	-	-	-
26	NONPROF ENH CARR RTE	-	-	6	-	6,589	3,412	242	10,250	-
27	NONPROFIT	-	-	24	-	31,889	21,025	1,700	54,638	-
28	TOTAL AGGREG NONPROFIT	-	-	30	-	38,478	24,437	1,942	64,888	-
29	<b>TOTAL STANDARD A</b>	-	-	189	-	333,988	188,016	13,415	535,608	-

R01 7.0.3

USPS LR-J-117

Base Year 2000 - USPS Version

File CS06&amp;7

7.0.3

CS 7 CITY CARRIERS STREET

68,379

336,828

20.30%

79.7%

2 of 6

WS 7.0.3 LETTER &amp; SPR COST SUMMARY

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	LOAD COLLECTION SPR 46.1	LOAD COLLECTION LTR 46.2	LOAD SPR NON-ACCT DELIV 46.3	LOAD SPR ACCT DELIV 46.4	LOAD SDR 46.5	LOAD MDR 46.6	LOAD BAM 46.7	TOTAL LOAD 46	NOT USED BY USPS
	COLUMN NUMBER CALCULATIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) =C1..C7	(9)
	UNITS COLUMN SOURCE/NOTES	\$(000) WS 7.0.6 C1 + C2	\$(000) WS 7.0.6 C3 + C4	\$(000) WS 7.0.6 C5	\$(000) WS 7.0.6 C6	\$(000) WS 7.0.6.5 C8	\$(000) WS 7.0.6.6 C8	\$(000) WS 7.0.6.7 C8	\$(000)	\$(000) Not Used By USPS
30	<b>STANDARD MAIL (B):</b>									
31	PARCELS ZONE RATE	21	49	363	-	12,499	4,375	1,602	18,909	-
32	BOUND PRINTED MATTER	-	-	628	-	9,703	3,403	2,161	15,895	-
33	SPECIAL STANDARD	-	-	242	-	3,896	1,750	581	6,268	-
34	LIBRARY MAIL	2	4	32	-	415	301	98	852	-
35	<b>TOTAL STANDARD (B)</b>	23	53	1,265	-	26,312	9,829	4,442	41,924	-
36	US POSTAL SERVICE	19	45	-	-	450	1,031	93	1,839	-
37	FREE MAIL	2	6	-	-	836	639	64	1,548	-
38	INTERNATIONAL MAIL	42	98	80	287	1,650	1,649	318	4,124	-
39	<b>TOTAL MAIL</b>	4,028	9,483	2,808	1,889	668,172	425,528	78,555	1,190,463	-
40	<b>SPECIAL SERVICES:</b>									
41	REGISTRY	-	-	-	353	1,075	385	2,618	4,432	-
42	CERTIFIED	-	-	-	-	22,991	5,280	22,331	50,602	-
43	INSURANCE	-	-	-	-	2,125	541	1,662	4,327	-
44	COD	-	-	-	68	543	343	1,010	1,964	-
45	MONEY ORDERS	-	-	-	-	-	-	-	-	-
46	STMPD CARDS	-	-	-	-	-	-	-	-	-
47	STMPD ENVELOPES	-	-	-	-	-	-	-	-	-
48	SPECIAL HANDLING	-	-	-	-	-	-	-	-	-
49	POST OFFICE BOX	-	-	-	-	-	-	-	-	-
50	OTHER	-	-	-	607	9,115	2,221	11,242	23,185	-
51	<b>TOTAL SPECIAL SERVICES</b>	-	-	-	1,028	35,848	8,770	38,864	84,510	-
52	<b>TOTAL VOLUME VARIABLE</b>	4,028	9,483	2,808	2,917	704,021	434,298	117,419	1,274,974	-
53	<b>OTHER</b>	13,883	32,424	-	-	-	-	-	46,306	-
54	<b>GRAND TOTAL</b>	17,911	41,907	2,808	2,917	704,021	434,298	117,419	1,321,280	-

R01 7.0.3

USPS LR-J-117  
7.0.3  
3 of 6

Base Year 2000 - USPS Version  
CS 7 CITY CARRIERS STREET  
WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	NOT USED BY USPS	TIME AT STOP - COLLECTION LTR 48.7	TIME AT STOP - SPR DELIVERIES 48.6	COVERAGE - RELATED LOAD - LTR 48.5	TIME AT STOP - COLLECTION SPR 48.8	DELIVERY ACCESS-SPR 48.1	ACCESS LTR 48.2	ACCESS - COLLECTION - SPR 48.3
	COLUMN NUMBER CALCULATIONS	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	UNITS COLUMN SOURCE/NOTES	\$(000) Not Used By USPS	\$(000) WS 7.0.6 C7+C8	\$(000) WS 7.0.6 C9	\$(000) WS 7.0.6.14 C23	\$(000) WS 7.0.6 C10+C11	\$(000) WS 7.0.6 C12	\$(000) WS 7.0.6.14 C22	\$(000) WS 7.0.6 C13+C14
1	<b>FIRST-CLASS MAIL:</b>								
2	SINGLE-PIECE LETTERS		15,114	1,753	8,592	6,471	1,379	29,024	27,508
3	PRESORT LETTERS		-	1,529	8,985	-	1,203	32,630	-
4	TOTAL LETTERS		15,114	3,283	17,577	6,471	2,582	61,654	27,508
5	SINGLE-PIECE CARDS		785	91	780	336	72	2,698	1,428
6	PRESORT CARDS		-	92	649	-	73	2,302	-
7	TOTAL CARDS		785	183	1,429	336	144	5,000	1,428
8	<b>TOTAL FIRST-CLASS</b>		15,899	3,466	19,006	6,807	2,727	66,654	28,936
9	PRIORITY MAIL		284	16,845	272	122	13,251	873	517
10	EXPRESS MAIL		16	4,997	14	7	3,931	47	30
11	MAILGRAMS		-	46	6	-	36	22	-
12	<b>PERIODICALS:</b>								
13	IN-COUNTY		-	172	160	-	135	535	-
14	OUTSIDE COUNTY:								
15	REGULAR		-	1,389	1,294	-	1,093	4,326	-
16	NON-PROFIT		-	413	384	-	325	1,285	-
17	CLASSROOM		-	12	11	-	10	38	-
18	<b>TOTAL PERIODICALS</b>		-	1,986	1,850	-	1,562	6,184	-
19	<b>STANDARD A:</b>								
20	SINGLE PIECE RATE		-	-	-	-	-	-	-
21	COMMERCIAL STANDARD:								
22	ENHANCED CARR RTE		-	1,118	11,375	-	880	41,421	-
23	REGULAR		-	1,468	5,769	-	1,155	20,943	-
24	TOTAL COMMERCIAL		-	2,586	17,145	-	2,034	62,364	-
25	AGGREGATE NONPROFIT:		-	-	-	-	-	-	-
26	NONPROF ENH CARR RTE		-	100	815	-	78	2,782	-
27	NONPROFIT		-	386	403	-	304	1,404	-
28	TOTAL AGGREG NONPROFIT		-	486	1,218	-	382	4,186	-
29	<b>TOTAL STANDARD A</b>		-	3,072	18,363	-	2,417	66,550	-

R01 7.0.3

USPS LR-J-117

Base Year 2000 - USPS Version  
 CS 7 CITY CARRIERS STREET  
 WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

7.0.3

4 of 6

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	NOT USED BY USPS	TIME AT STOP- COLLECTION LTR 48.7	TIME AT STOP - SPR DELIVERIES 48.6	COVERAGE- RELATED LOAD - LTR 48.5	TIME AT STOP- COLLECTION SPR 48.8	DELIVERY ACCESS-SPR 48.1	ACCESS LTR 48.2	ACCESS- COLLECTION - SPR 48.3
	COLUMN NUMBER CALCULATIONS	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	UNITS COLUMN SOURCE/NOTES	\$(000) Not Used By USPS	\$(000) WS 7.0.6 C7+C8	\$(000) WS 7.0.6 C9	\$(000) WS 7.0.6.14 C23	\$(000) WS 7.0.6 C10+C11	\$(000) WS 7.0.6 C12	\$(000) WS 7.0.6.14 C22	\$(000) WS 7.0.6 C13+C14
30	<b>STANDARD MAIL (B):</b>								
31	PARCELS ZONE RATE		92	5,830	47	39	4,586	176	167
32	BOUND PRINTED MATTER		-	10,075	54	-	7,926	201	-
33	SPECIAL STANDARD		-	3,883	17	-	3,055	63	-
34	LIBRARY MAIL		8	506	2	3	398	9	14
35	<b>TOTAL STANDARD (B)</b>		99	20,294	120	43	15,965	448	181
36	US POSTAL SERVICE		84	-	54	36	-	179	153
37	FREE MAIL		11	-	11	5	-	37	20
38	INTERNATIONAL MAIL		185	2,149	120	79	1,691	393	336
39	<b>TOTAL MAIL</b>		16,579	52,855	39,816	7,098	41,580	141,388	30,173
40	<b>SPECIAL SERVICES:</b>								
41	REGISTRY		-	-	-	-	-	-	-
42	CERTIFIED		-	-	-	-	-	-	-
43	INSURANCE		-	-	-	-	-	-	-
44	COD		-	-	-	-	-	-	-
45	MONEY ORDERS		-	-	-	-	-	-	-
46	STMPD CARDS		-	-	-	-	-	-	-
47	STMPD ENVELOPES		-	-	-	-	-	-	-
48	SPECIAL HANDLING		-	-	-	-	-	-	-
49	POST OFFICE BOX		-	-	-	-	-	-	-
50	OTHER		-	-	-	-	-	-	-
51	<b>TOTAL SPECIAL SERVICES</b>		-	-	-	-	-	-	-
52	<b>TOTAL VOLUME VARIABLE</b>		16,579	52,855	39,816	7,098	41,580	141,388	30,173
53	<b>OTHER</b>	-	15,018	2,671	740,622	6,239	2,101	1,863,492	21,147
54	<b>GRAND TOTAL</b>	-	31,597	55,526	780,439	13,338	43,681	2,004,880	51,321

R01 7.0.3

USPS LR-J-117  
7.0.3  
5 of 6

Base Year 2000 - USPS Version  
CS 7 CITY CARRIERS STREET  
WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	ACCESS- COLLECTION - LTR 48.4	TOTAL ACCESS 48	NOT USED BY USPS	ROUTE 54	TOTAL LOAD, ACCESS, ROUTE	TOTAL SPR
	COLUMN NUMBER CALCULATIONS	(18)	(19) =C11...C18	(20)	(21)	(22) =C8+C19+C20 +C21	(23) =C1+C3+C4+C12+C 14+C15+C17
	UNITS COLUMN SOURCE/NOTES	\$(000) WS 7.0.6 C15+C16	\$(000)	Not Used By USPS	\$(000) [a]	\$(000)	\$(000) L54 includes WS 7.0.5 C5L49
1	FIRST-CLASS MAIL:						
2	SINGLE-PIECE LETTERS	7,805	97,647	-	7,754	336,828	40,626
3	PRESORT LETTERS	-	44,346	-	7,175	282,487	2,796
4	TOTAL LETTERS	7,805	141,995	-	14,929	619,315	43,422
5	SINGLE-PIECE CARDS	405	6,595	-	130	20,992	2,110
6	PRESORT CARDS	-	3,116	-	113	14,605	169
7	TOTAL CARDS	405	9,711	-	243	35,596	2,279
8	TOTAL FIRST-CLASS	8,211	151,706	-	15,171	654,912	45,701
9	PRIORITY MAIL	147	32,311	-	17,075	89,940	31,805
10	EXPRESS MAIL	9	9,051	-	1,482	27,222	10,824
11	MAILGRAMS	-	110	-	60	261	85
12	PERIODICALS:						
13	IN-COUNTY	-	1,002	-	1,404	7,621	318
14	OUTSIDE COUNTY:						
15	REGULAR	-	8,101	-	11,344	61,593	2,567
16	NON-PROFIT	-	2,406	-	3,369	16,294	762
17	CLASSROOM	-	71	-	100	543	23
18	TOTAL PERIODICALS	-	11,582	-	16,217	88,051	3,669
19	STANDARD A:						
20	SINGLE PIECE RATE	-	-	-	-	-	-
21	COMMERCIAL STANDARD:						
22	ENHANCED CARR RTE	-	54,794	-	16,703	298,080	2,066
23	REGULAR	-	29,335	-	15,535	291,008	2,713
24	TOTAL COMMERCIAL	-	84,129	-	34,238	589,087	4,779
25	AGGREGATE NONPROFIT:						
26	NONPROF ENH CARR RTE	-	3,776	-	633	14,658	184
27	NONPROFIT	-	2,497	-	2,627	59,761	714
28	TOTAL AGGREG NONPROFIT	-	6,272	-	3,260	74,419	898
29	TOTAL STANDARD A	-	90,401	-	37,498	663,507	5,677

R01 7.0.3

Base Year 2000 - USPS Version  
 CS 7 CITY CARRIERS STREET  
 WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

US. R-J-117  
 7.0.3  
 6 of 6

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	ACCESS- COLLECTION - LTR 48.4	TOTAL ACCESS 48	NOT USED BY USPS	ROUTE 54	TOTAL LOAD, ACCESS, ROUTE	TOTAL SPR
	COLUMN NUMBER CALCULATIONS	(18)	(19) =C11...C18	(20)	(21)	(22) =C8+C19+C20 +C21	(23) =C1+C3+C4+C12+C 14+C15+C17
	UNITS COLUMN SOURCE/NOTES	\$(000) WS 7.0.6 C15+C16	\$(000)	Not Used By USPS	\$(000) [a]	\$(000)	\$(000) L54 includes WS 7.0.5 C5L49
30	<b>STANDARD MAIL (B):</b>						
31	PARCELS ZONE RATE	47	10,984	-	9,628	39,521	11,006
32	BOUND PRINTED MATTER	-	18,256	-	6,884	41,035	18,629
33	SPECIAL STANDARD	-	7,019	-	4,005	17,292	7,181
34	LIBRARY MAIL	4	944	-	1,125	2,922	954
35	<b>TOTAL STANDARD (B)</b>	51	37,202	-	21,643	100,769	37,771
36	US POSTAL SERVICE	44	550	-	275	2,464	209
37	FREE MAIL	6	88	-	109	1,745	27
38	INTERNATIONAL MAIL	95	5,049	-	837	10,010	4,664
39	<b>TOTAL MAIL</b>	8,562	338,051	-	110,365	1,638,880	140,431
40	<b>SPECIAL SERVICES:</b>						
41	REGISTRY	-	-	-	-	4,432	353
42	CERTIFIED	-	-	-	-	50,602	-
43	INSURANCE	-	-	-	-	4,327	-
44	COD	-	-	-	-	1,984	68
45	MONEY ORDERS	-	-	-	-	-	-
46	STMPD CARDS	-	-	-	-	-	-
47	STMPD ENVELOPES	-	-	-	-	-	-
48	SPECIAL HANDLING	-	-	-	-	-	-
49	POST OFFICE BOX	-	-	-	-	-	-
50	OTHER	-	-	-	-	23,185	607
51	<b>TOTAL SPECIAL SERVICES</b>	-	-	-	-	84,510	1,028
52	<b>TOTAL VOLUME VARIABLE</b>	8,562	338,051	-	110,365	1,723,390	141,459
53	<b>OTHER</b>	6,011	2,657,303	-	2,695,645	5,399,254	202,777
54	<b>GRAND TOTAL</b>	14,573	2,995,354	-	2,806,010	7,122,644	344,236

# R01 Outputs to CRA

Base Year 2000 - USPS Version  
C/S 6&7 CITY CARRIERS  
OUTPUTS TO CRA MODEL

File CS06&7

USPS LR-J-117  
Outputs to CRA  
1 of 3

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	CRA CLASS	IN-OFFICE DIRECT LABOR	LOAD	ACCESS	ROUTE	NOT USED BY USPS	NOT USED BY USPS	SPR DIST KEY
	COLUMN NUMBER		(1) \$(000)	(2) \$(000)	(3) \$(000)	(4) \$(000)	(6) \$(000)	(7) \$(000)	(5) \$(000)
	COLUMN SOURCE/NOTES		WS 6.0.2.1 C2	WS 7.0.3.1 C2	WS 7.0.3.1 C8	WS 7.0.3.1 C12	WS 7.0.3.1 C4	WS 7.0.3.1 C10	WS 7.0.3 C23
	MODEL COMPONENT		43	46	48	54			578
1	<b>FIRST-CLASS MAIL:</b>								
2	SINGLE-PIECE LETTERS	101	1,111,700	231,427	97,647	7,754			40,626
3	PRESORT LETTERS	102	503,724	230,965	44,348	7,175			2,796
4	TOTAL LETTERS		1,615,424	462,392	141,995	14,929			43,422
5	SINGLE-PIECE CARDS	104	60,145	14,266	6,595	130			2,110
6	PRESORT CARDS	105	15,028	11,376	3,116	113			169
7	TOTAL CARDS		75,173	25,642	9,711	243			2,279
8	<b>TOTAL FIRST-CLASS</b>		1,690,597	488,034	151,706	15,172			45,701
9	<b>PRIORITY MAIL</b>	110	45,390	40,554	32,311	17,075			31,805
10	<b>EXPRESS MAIL</b>	111	3,947	16,689	9,051	1,482			10,824
11	<b>MAILGRAMS</b>	112	-	91	110	60			85
12	<b>PERIODICALS:</b>								
13	IN-COUNTY	113	8,966	5,215	1,002	1,404			318
14	OUTSIDE COUNTY	117	194,751	55,037	10,578	14,813	-	-	3,352
15	<b>TOTAL PERIODICALS</b>		203,717	60,252	11,580	16,217			3,670
16	<b>STANDARD MAIL:</b>								
17	ENHANCED CARRIER ROUTE	126	294,124	234,833	58,570	19,336	-	-	2,250
18	REGULAR	127	775,523	300,776	31,832	18,162	-	-	3,427
19	<b>TOTAL STANDARD MAIL</b>		1,069,647	535,609	90,402	37,498	-	-	5,677
20	<b>PACKAGE SERVICES:</b>								
21	PARCEL POST	136	6,605	18,909	10,984	9,628			11,006
22	BOUND PRINTED MATTER	137	10,661	15,895	18,256	6,884			18,629
23	MEDIA MAIL	139	4,272	7,120	7,963	5,130	-	-	8,135
24	<b>TOTAL PACKAGE SERVICES</b>		21,538	41,924	37,203	21,642			37,770
25	<b>US POSTAL SERVICE</b>	142	12,900	1,639	550	275			209
26	<b>FREE MAIL</b>	147	1,062	1,548	88	109			27
27	<b>INTERNATIONAL MAIL</b>	161	14,684	4,124	5,049	837			4,664
28	<b>TOTAL MAIL</b>		3,063,482	1,190,464	338,050	110,367			140,432

R01 Outputs to CRA  
Base Year 2000 - USPS Version  
C/S 6&7 CITY CARRIERS  
OUTPUTS TO CRA MODEL

File CS06&7

USPS LR-J-117  
Outputs to CRA  
2 of 3

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	CRA CLASS	IN-OFFICE DIRECT LABOR	LOAD	ACCESS	ROUTE	NOT USED BY USPS	NOT USED BY USPS	SPR DIST KEY
	COLUMN NUMBER		(1) \$(000)	(2) \$(000)	(3) \$(000)	(4) \$(000)	(6) \$(000)	(7) \$(000)	(5) \$(000)
	COLUMN SOURCE/NOTES		WS 6.0.2.1 C2	WS 7.0.3.1 C2	WS 7.0.3.1 C8	WS 7.0.3.1 C12	WS 7.0.3.1 C4	WS 7.0.3.1 C10	WS 7.0.3 C23
	MODEL COMPONENT		43	46	48	54			578
29	SPECIAL SERVICES:								
30	REGISTRY	163	886	4,432	-	-			353
31	CERTIFIED	164	28,065	50,602	-	-			-
32	INSURANCE	165	1,412	4,327	-	-			-
33	COD	166	543	1,964	-	-			68
34	MONEY ORDERS	168	-	-	-	-			-
35	STMPD CARDS		-	-	-	-	-	-	-
36	STMPD ENVELOPES	169	-	-	-	-			-
37	SPECIAL HANDLING	170	-	-	-	-			-
38	POST OFFICE BOX	171	373	-	-	-			-
39	OTHER	172	5,591	23,185	-	-			607
40	TOTAL SPECIAL SERVICES		36,870	84,510	-	-			1,028
41	TOTAL VOLUME VARIABLE		3,100,352	1,274,974	338,050	110,367			141,460
42	OTHER	199	417,187	46,306	2,657,303	2,695,645			202,777
43	GRAND TOTAL		3,517,539	1,321,280	2,995,353	2,806,012			344,237



# R01 Outputs to CRA

**Base Year 2000 - USPS Version**  
**C/S 6&7 CITY CARRIERS**  
**OUTPUTS TO CRA MODEL**

File CS06&7

USPS-LR-J-117  
 Outputs to CRA  
 3 of 3

LINE NO.	COMPONENT TITLE	MODEL COMPONENT	SOURCE	ACCRUED COST
	COLUMN NUMBER UNITS	(1)	(2)	(3) \$(000)
44	6.2 OVERHEAD	44	WS 6.0.4 C3L4	640,119
45	6.2 OTHER OFFICE	45	WS 6.0.4 C3L7	225
46	SUPPORT: IN-OFFICE	49	WS 6.0.4 C3L17	621,446
47	SUPPORT: LOAD	50	WS 6.0.4 C3L18	222,873
48	NOT USED BY USPS			
51	NOT USED BY USPS			
49	SUPPORT: ACCESS	52	WS 6.0.4 C3L21	523,856
52	NOT USED BY USPS			
50	SUPPORT: ROUTE	53	WS 6.0.4 C3L23	491,287
53	NOT USED BY USPS			

PROCEED (+ 2 or -2)

CALCULATED CITY CARRIERS COMPONENT COSTS =

C1...C7L43 + C3L44..L53 13,139,990

ACTUAL COMPONENT COSTS FOR CITY CARRIERS 13,139,987

Volume Crosswalk		Crosswalked Rural Volumes			CS7 Distribution Key Inputs*			RPW Permit System**			Implicit PO Box Volume					
First-Class	Letters		Parcels	Total Rural	CCS Letters		CCS Parcels	Total CCS	Letters		Parcels	Total RPW	Letters		Parcels	Total PO Box
Single-Piece	10,384,160	923,275	5,152	11,312,587	21,308,674	2,253,391	229,800	23,791,665	47,033,105	4,844,701	491,729	52,369,535	15,505,959	1,597,210	162,114	17,265,283
Presort	10,304,441	83,007	1,672	10,389,319	28,757,869	441,375	15,214	29,214,558	44,931,629	733,863	9,980	45,675,472	5,972,717	97,552	1,327	6,071,595
Standard Mail (A)																
ECR Total	3,810,544	5,017,573	1,456	8,829,573	9,855,793	13,918,642	37,428	23,811,863	11,892,684	23,790,827	17,125	35,700,636	1,319,088	2,038,644	1,467	3,059,200
Regular	6,961,372	5,209,671	213,834	12,384,877	23,459,132	8,645,074	412,057	32,516,263	37,872,913	15,771,844	711,753	54,358,510	6,588,031	2,743,528	123,810	9,455,370
First-Class																
Single-Piece			RPW-Rural-PO Box		21,142,986	2,324,135	23,467,121									
Presort					28,654,412	453,964	29,108,376									
Standard Mail (A)																
ECR Total					7,066,051	16,124,500	23,190,551									
Regular					24,323,589	7,618,046	31,941,635									
Rural Carrier Cost System																
First-Class	Letters		Parcels	Total Rural	CCS Letters		CCS Parcels	Total CCS	Letters		Parcels	Total RPW	Letters		Parcels	Total PO Box
Single-Piece	92%	8%	0%	22%	89%	10%	1%	45%	90%	9%	1%		90%	9%	1%	33%
Presort	99%	1%	0%	23%	98%	2%	0%	64%	98%	2%	0%		98%	2%	0%	13%
Standard Mail (A)																
ECR Total	43%	57%	0%	25%	30%	70%	0%	67%	33%	67%	0.0%		33%	67%	0%	9%
Regular	56%	42%	2%	23%	75%	24%	1%	60%	70%	29%	1%		70%	29%	1%	17%

sp includes collected volumes

\*Source: City Delivery Carrier workpapers (USPS LR-J-67, GS06&amp;7.xls, worksheet 'Input DK', columns (3) thru (12)) of witness Meehan (USPS-T-11)

\*\*Source: USPS LR-J-112 Tables 11, 12, 17, and 20

## Report LIOCAT System Summary Schedule K&amp;L - City Carrier Cost

Activity Code	[1] routes 87-98	[2] routes 71-99	[3] Total Cost	[4] FY93 volumes LR MCR-10 or Billing Det.	[5] unit cost \$FY93	[6] ratioed unit cost \$BY00	[7] ratioed unit cost \$TY03
1060 1C Single-Piece Letters	3,863,090	1,001,775,439	\$ 1,005,638,529				
1061 1C Combined w/ or w/o ZIP+4 Letters	-	2,938,878	\$ 2,938,878				
1092 1C ZIP+4 Letters	638,147	67,370,164	\$ 68,008,311				
	4,501,237	1,072,094,481	\$ 1,076,585,718	50,443,703	\$ 0.0213	\$ 0.0255	\$ 0.0300
1091 1C ZIP+4 Presort Letters	119,526	48,363,206	\$ 48,482,732				
1093 Barcoded Letters	559,388	136,354,960	\$ 136,914,348				
1081 1C Combined Presort Letters	-	1,130,040	\$ 1,130,040				
1080 1C Presorted Letters	845,532	416,720,730	\$ 417,566,262				
1085 1C CR Letters	70,045	48,811,245	\$ 48,881,290				
	1,524,446	602,568,936	\$ 652,974,672	29,486,424	\$ 0.0221	\$ 0.0265	\$ 0.0311
1C Single Piece Cards	129,654	47,560,243	\$ 47,689,897	2,913,620	\$ 0.0164	\$ 0.0196	\$ 0.0230
1C Presorted Cards	126,625	16,041,099	\$ 16,167,724	1,226,216	\$ 0.0132	\$ 0.0158	\$ 0.0185
1340 Reg (Bulk Rate Other) Letter	783,071	215,972,123	\$ 216,755,194	17,850,124	\$ 0.0121	\$ 0.0145	\$ 0.0171
1350 Nonprofit (Bulk Rate Other) Letter	185,317	76,531,437	\$ 76,716,754	7,301,594	\$ 0.0105	\$ 0.0126	\$ 0.0148
[1] ALA860P14 Docket No. R94-1 USPS-T-4 WP.C.4 page 120-123							
[2] ALA860P14 Docket No. R94-1 USPS-T-4 WP.C.3 page 208-211							
[3] [1] + [2]							
[4] FY93 volumes LR MCR-10 or Billing Det.							
[8] [3] / [4]							
[8] [5] * [9] / [8]							
[7] [5] * [10] / [8]							
[8] FY93 wage rate	\$ 23.19						
[9] BY00 wage rate	\$ 27.74						
[10] TY03 wage rate	\$ 32.62						

Docket No. R2000-1, USPS-LR-I-95, LR95revised.xls, worksheet 'letters 93'

National Payroll Summary Report (NPHSR) AP 13 2000 Report A, Average Hourly Rate, Line 43, City Delivery Carrier, Consolidated

USPS-LR-J-50, Chapter 9, Section 6

## WS 10.0.3 P2 Mail Shape Adjustment, Part 2 Rural Defined Pieces (000)

## WS 10.0.4 Distribution Keys

	(1) Adjusted Letters	(2) DPS/ Sec Seq	(3) Adjusted Flats	(4) Parcels	(5) Subtotal(1)	(6) Boxholder	(7) Postage Due	(8) Ltr/Flt Collected	(9) Parcels Accepted	Total
<b>First-Class</b>										
Single-Piece	2,810,274	3,515,083	1,546,332	100,669	7,972,358	18,445	8,417	3,310,370	4,998	11,312,587
Presort	3,414,040	5,778,293	1,190,732	3,877	10,384,742	3,335	1,242	-	-	10,389,319
<b>Standard Mail (A)</b>										
ECR	1,283,272	579,784	5,384,036	20,491	1,821,797	9,089,390	31			9,089,421
Regular	2,630,784	4,188,527	5,156,752	205,610	202,594	12,384,245	632			12,384,877

	DMM Defined Pieces (000)													Total
	dLet/rLet	dLet/rFlat	dLet/rDPS	dLet/rBox	dFlat/rPar	dFlat/rBox	dPar/rPar	dPar/rFlat	dPar/rBox		dLet/rCol	dFlat/rCol	dPar/rFlat	
<b>First-Class</b>														
Single-Piece	6,475,292	504,420	341,978	14,769	576,994	73,774	1,521	-	-	154	7,729	697	3,040,072	11,312,587
Presort	9,330,802	451,511	517,816	3,281	81,072	1,871	54	1,871	-	1	1,232	10	-	10,389,319
<b>Standard Mail (A)</b>														
ECR Auto	614,595	322,818	78,835	-	-	-	-	-	-	-	31	-	-	1,016,079
ECR LOT	693,644	695,199	173,825	-	2,835,688	32,282	-	-	-	-	12	19	-	4,730,967
ECR WSS/WSH	28,971	-	-	1,002,805	28,901	-	2,022,364	-	-	1,456	10	21	-	3,082,527
ECR Total	1,337,211	1,218,016	252,460	1,002,805	2,962,888	32,282	2,022,364	-	-	1,456	53	40	-	8,829,573
Regular	3,831,763	1,724,964	1,320,012	84,272	4,542,481	126,035	540,884	139,459	49,967	24,409	362	271	-	12,384,877

	DMM Defined Costs (\$000)													Total
	dLet/rLet	dLet/rFlat	dLet/rDPS	dLet/rBox	dFlat/rPar	dFlat/rBox	dPar/rPar	dPar/rFlat	dPar/rBox		dLet/rCol	dFlat/rCol	dPar/rFlat	
<b>First-Class</b>														
Single-Piece	\$ 0.0340	\$ 0.0576	\$ 0.0139	\$ 0.0337	\$ 0.1980	\$ 0.0576	\$ 0.0444	\$ 0.0145	\$ 1.1663					
Presort	\$ 220,288	\$ 29,045	\$ 4,751	\$ 498	\$ 33,224	\$ 14,807	\$ 51	\$ -	\$ 5	\$ 343	\$ 31	\$ 43,932	\$ 3,906	\$ 5,829
Presort	\$ 317,432	\$ 25,998	\$ 7,184	\$ 111	\$ 4,688	\$ 370	\$ 2	\$ 370	\$ -	\$ 0	\$ 55	\$ 0	\$ -	\$ -
<b>Standard Mail (A)</b>														
ECR Auto	\$ 20,908	\$ 18,588	\$ 1,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -
ECR LOT	\$ 23,598	\$ 51,548	\$ 2,416	\$ -	\$ 169,056	\$ 6,392	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ -
ECR WSS/WSH	\$ 986	\$ -	\$ -	\$ 33,833	\$ 1,549	\$ -	\$ 68,232	\$ -	\$ -	\$ 49	\$ 0	\$ 1	\$ -	\$ -
ECR Total	\$ 45,492	\$ 70,134	\$ 3,509	\$ 33,833	\$ 170,605	\$ 6,392	\$ 68,232	\$ -	\$ -	\$ 49	\$ 2	\$ 2	\$ -	\$ -
Regular	\$ 130,356	\$ 99,324	\$ 18,345	\$ 2,843	\$ 261,559	\$ 24,954	\$ 18,249	\$ 27,612	\$ 2,877	\$ 824	\$ 16	\$ 12	\$ -	\$ -

Cost Distribution Key	%		
<b>First-Class</b>			
Single-Piece	85.6%	14.5%	1.6%
Presort	98.5%	1.4%	0.1%
<b>Second-Class Mail</b>			
Standard Mail (A)	1.5%	96.5%	1.7%
<b>Standard Mail (A)</b>			
ECR Auto	100.0%	0.0%	0.0%
ECR LOT	30.7%	69.3%	0.0%
ECR WSS/WSH	33.3%	66.7%	0.0%
ECR Total	38.41%	61.58%	0.01%
Regular	42.74%	51.92%	5.33%

DMM Postage Due volume allocated using RPW Shape split.

First-Class DMM Boxholder volume allocated using RPW Shape split.

First-Class Single Piece DMM Ltr/Flt Collected volume allocated using DMM letter/flat volume split.

Std. A Nonletter Boxholder volume allocated using RPW shape split.

R01 summary TV

1,884,977 1,884,977

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BY %DPS	unit 6.1 cost	(000s)	IN-OFFICE DIRECT LABOR	PLUS CAG K	ROUTE	COVERAGE PLUS ALL ACCESS	ELEMENTAL LOAD	STREET SUPPORT	(000s)	10	(000s)	total	(000s)	Permit Volume	City Carrier Unit Cost	Rural Carrier Unit Cost	Total Unit Cost	Key	Rural Key
0.0183	749,944	189,885	8,763	20,824	236,880	40,932,061	0.0419	0.0069	0.0419	0.0069	0.0419	0.0069	0.0419	0.0069	0.0419	0.0069	0.0419	73%	78%
0.0444	186,411	37,700	802	2,835	43,857	1,031	0.0849	0.0452	0.0849	0.0452	0.0849	0.0452	0.0849	0.0452	0.0849	0.0452	0.0849	8%	18%
0.0326	15,706	3,358	103	243,441	25,717	305,043	0.0469	0.0080	0.0469	0.0080	0.0469	0.0080	0.0469	0.0080	0.0469	0.0080	0.0469	18%	6%
0.0206	932,061	211,153	0.860	247,112	243,441	45,161,746	0.0469	0.0080	0.0469	0.0080	0.0469	0.0080	0.0469	0.0080	0.0469	0.0080	0.0469	73%	78%
0.0228	87,208	12,960	163	9,258	17,877	793	0.0461	0.0088	0.0461	0.0088	0.0461	0.0088	0.0461	0.0088	0.0461	0.0088	0.0461	73%	78%
0.0037	2,804	580	15	325	459,47	107	0.0656	0.0157	0.0656	0.0157	0.0656	0.0157	0.0656	0.0157	0.0656	0.0157	0.0656	47%	47%
0.0037	2,572	563	15	321	454	106	0.0656	0.0157	0.0656	0.0157	0.0656	0.0157	0.0656	0.0157	0.0656	0.0157	0.0656	47%	47%
0.0085	2,296	520	53	1,110	1,569	140	0.0268	0.0071	0.0268	0.0071	0.0268	0.0071	0.0268	0.0071	0.0268	0.0071	0.0268	73%	78%
0.0085	1,324	300	30	640	904	66	0.0268	0.0071	0.0268	0.0071	0.0268	0.0071	0.0268	0.0071	0.0268	0.0071	0.0268	73%	78%
0.0037	12,812	2,904	76	1,601	2,282	527	0.0554	0.0157	0.0554	0.0157	0.0554	0.0157	0.0554	0.0157	0.0554	0.0157	0.0554	73%	78%
0.0037	10,092	2,296	60	1,280	1,781	415	0.0554	0.0157	0.0554	0.0157	0.0554	0.0157	0.0554	0.0157	0.0554	0.0157	0.0554	73%	78%
0.0076	4,089	828	102	2,146	3,032	278	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	73%	78%
0.0076	1,080	245	27	567	801	73	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	73%	78%
0.0062	25,538	5,785	538	11,328	16,095	1,586	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	73%	78%
0.0062	21,423	4,853	400	10,313	14,570	1,364	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	73%	78%
0.0085	41,789	9,477	439	92,549	130,477	12,149	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	73%	78%
0.0082	184,464	41,789	877	14,249	20,132	3,007	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	73%	78%
0.0181	53,640	12,152	2,425	51,024	72,090	5,126	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	73%	78%
0.0043	53,640	12,152	2,425	51,024	72,090	5,126	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	0.0069	0.0236	73%	78%
0.0073	28,405	3,102	116,558	65,373	82,222	8,133	0.0248	0.0057	0.0248	0.0057	0.0248	0.0057	0.0248	0.0057	0.0248	0.0057	0.0248	73%	78%
0.0175	12,540	2,841	140	2,937	4,149	806	0.0413	0.0103	0.0413	0.0103	0.0413	0.0103	0.0413	0.0103	0.0413	0.0103	0.0413	73%	78%
0.0085	397,397	90,028	0.038	190,170	288,865	25,505	0.0289	0.0180	0.0289	0.0180	0.0289	0.0180	0.0289	0.0180	0.0289	0.0180	0.0289	73%	78%
0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0037	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	73%	78%
0.0032	DPS unit cost by solving equation	0.0032	DPS unit cost by solving equation	0.0032	DPS unit cost by solving equation	0.0032	DPS unit cost by solving equation	0.0032	DPS unit cost by solving equation	0.0032	DPS unit cost by solving equation	0.0032	DPS unit cost by solving equation	0.0032	DPS unit cost by solving equation	0.0032	DPS unit cost by solving equation	73%	78%
0.0296	dps savings	0.0296	dps savings	0.0296	dps savings	0.0296	dps savings	0.0296	dps savings	0.0296	dps savings	0.0296	dps savings	0.0296	dps savings	0.0296	dps savings	73%	78%
0.0349	28,539	440	100	6,465	159	1	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	73%	78%
0.0379	440	100	100	6,465	159	1	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	73%	78%
0.0351	28,978	6,565	160	3,372	11,752	1,382	3,314	28,957	283,572	1,665,805	47,333,818	0.0279	0.0071	0.0350	0.0071	0.0350	73%	78%	
0.0090	428,375	90,993	9,198	193,542	280,437	28,957	283,572	1,665,805	47,333,818	0.0279	0.0071	0.0350	0.0071	0.0350	0.0071	0.0350	73%	78%	
0.0048	1,948	441	18	895	1,519	97	2,253	8,672	394,264	0.0152	0.0068	0.0220	0.0152	0.0068	0.0220	0.0152	0.0068	73%	78%
0.0054	1,514	343	11	494	1,081	72	1,571	6,335	280,420	0.0159	0.0067	0.0220	0.0159	0.0067	0.0220	0.0159	0.0067	73%	78%
0.0050	1,032	234	6	387	801	51	1,187	4,560	207,940	0.0182	0.0068	0.0218	0.0182	0.0068	0.0218	0.0182	0.0068	73%	78%
0.0048	5,220	1,183	44	1,831	4,218	263	6,302	23,833	1,094,768	0.0148	0.0068	0.0211	0.0148	0.0068	0.0211	0.0148	0.0068	73%	78%
0.0042	3,834	823	34	1,508	3,295	184	5,031	18,038	855,117	0.0141	0.0070	0.0211	0.0141	0.0070	0.0211	0.0141	0.0070	73%	78%
0.0103	748	169	3	128	278	38	319	2,101	72,832	0.0238	0.0052	0.0290	0.0238	0.0052	0.0290	0.0238	0.0052	73%	78%
0.0107	719	159	3	128	278	38	319	2,101	72,832	0.0238	0.0052	0.0290	0.0238	0.0052	0.0290	0.0238	0.0052	73%	78%
0.0024	1,637	371	27	1,179	2,578	121	4,225	12,532	968,445	0.0112	0.0075	0.0187	0.0112	0.0075	0.0187	0.0112	0.0075	73%	78%
0.0049	18,245	4,133	151	6,930	14,488	912	18,889	78,448	3,780,018	0.0151	0.0053	0.0203	0.0151	0.0053	0.0203	0.0151	0.0053	73%	78%
0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	0.0168	nonDPS unit cost (FY03 LEOCAT T Costs wage rate adjusted to FY04 dollars)	73%	78%
0.0018	DPS unit cost by solving equation	0.0018	DPS unit cost by solving equation	0.0018	DPS unit cost by solving equation	0.0018	DPS unit cost by solving equation	0.0018	DPS unit cost by solving equation	0.0018	DPS unit cost by solving equation	0.0018	DPS unit cost by solving equation	0.0018	DPS unit cost by solving equation	0.0018	DPS unit cost by solving equation	73%	78%
0.0177	dps savings	0.0177	dps savings	0.0177	dps savings	0.0177	dps savings	0.0177	dps savings	0.0177	dps savings	0.0177	dps savings	0.0177	dps savings	0.0177	dps savings	73%	78%
0.0073	2,270	514	49	401	713	61	919	6,156	131,572	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	2,890	609	58	478	845	72	1,000	7,299	155,944	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0080	3,498	1,137	231	1,904	3,361	181	1,981	17,332	924,101	0.0240	0.0038	0.0278	0.0240	0.0038	0.0278	0.0240	0.0038	73%	78%
0.0080	3,498	1,137	231	1,904	3,361	181	1,981	17,332	924,101	0.0240	0.0038	0.0278	0.0240	0.0038	0.0278	0.0240	0.0038	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355	126	843	11,438	434,832	0.0385	0.0083	0.0468	0.0385	0.0083	0.0468	0.0385	0.0083	73%	78%
0.0073	1,360	782	161	1,327	2,355														

<b>Regular Total BY</b>	<b>0.0138</b>	<b>884,873</b>	<b>165,887</b>	<b>23,121</b>	<b>190,872</b>	<b>.418</b>	<b>26,494</b>	<b>535,361</b>	<b>2,833,500</b>	<b>62,587,820</b>	<b>0.0351</b>	<b>0.0102</b>	<b>0.04%</b>		
ECR Basic Auto Letters	0.0013	2,757	824	1,557	8,376	8,721	538	33,404	68,488	2,115,099	0.0138	0.0188	0.0324		
ECR Basic Letters	0.0128	24,536	5,559	1,442	7,750	8,075	1,152	57,950	130,778	1,958,438	0.0310	0.0351	0.0688		
ECR High Density Letters	0.0078	4,565	1,034	443	2,381	2,479	265	5,786	21,110	801,210	0.0237	0.0114	0.0351		
ECR Saturation Letters	0.0072	27,525	8,236	2,817	15,153	15,776	1,642	38,699	131,896	3,826,244	0.0231	0.0114	0.0345		
								53,013							
<b>ECR Letters Subtotal</b>	<b>0.0670</b>	<b>59,383</b>	<b>13,453</b>	<b>6,258</b>	<b>33,665</b>	<b>35,051</b>	<b>3,595</b>	<b>163,989</b>	<b>388,089</b>	<b>8,500,989</b>	<b>0.0227</b>	<b>0.0229</b>	<b>0.0457</b>	<b>12%</b>	<b>38%</b>
ECR Basic Flats	0.0118	150,849	34,197	9,433	50,748	129,351	9,112	132,238	647,222	12,814,012	0.0383	0.0123	0.0505		
ECR High Density Flats	0.0061	10,539	2,387	1,270	6,833	17,418	935	13,486	86,324	1,725,312	0.0292	0.0093	0.0384		
ECR Saturation Flats	0.0032	31,792	7,202	7,327	39,418	100,477	4,529	77,858	336,082	9,953,622	0.0245	0.0093	0.0338		
ECR Basic Parcels	1.0312	1,449	328	1	6	14	44	-	2,352	1,405	1.6742	0.0000	1.6742		
ECR High Density Parcels	19.3228	121	27	0	0	0	4	(0)	195	6	31.0285	-0.0002	31.0283		
ECR Saturation Parcels	0.0000	0	0	0	1	4	0	(0)	7	354	0.0184	-0.0002	0.0182		
ECR Basic Nonletters	0.0118	152,396	34,525	9,434	50,751	129,365	9,156	148,048	688,343	12,815,417	0.0384	0.0137	0.0522		
ECR High Density Nonletters	0.0062	10,860	2,415	1,270	6,833	17,418	939	15,109	88,433	1,725,318	0.0293	0.0104	0.0397		
ECR Saturation Nonletters	0.0032	31,792	7,202	7,326	39,419	100,480	4,529	87,167	347,139	9,953,976	0.0245	0.0104	0.0349		
<b>ECR NonLetters Subtotal</b>	<b>0.0080</b>	<b>194,850</b>	<b>44,142</b>	<b>18,032</b>	<b>97,003</b>	<b>247,262</b>	<b>14,623</b>	<b>293,173</b>	<b>1,134,790</b>	<b>24,494,712</b>	<b>0.0321</b>	<b>0.0142</b>	<b>0.0463</b>	<b>88%</b>	<b>57%</b>
<b>ECR Total BY</b>	<b>0.0077</b>	<b>254,233</b>	<b>57,595</b>	<b>24,290</b>	<b>130,868</b>	<b>282,313</b>	<b>18,218</b>	<b>457,162</b>	<b>1,522,880</b>	<b>32,995,701</b>	<b>0.0297</b>	<b>0.0164</b>	<b>0.0462</b>	<b>100%</b>	<b>93%</b>
		1.155	1.155	2.801	2.601	6.389	2.759								

Base Year Piggyback Factors		
	city	rural
Single-Piece	1.269	1.187
Presort	1.277	1.187
BP Cards	1.281	1.187
Presort Cards	1.272	1.187
ECR	1.277	1.187
Reg	1.284	1.187

[BYPBack\_Summary.PRC.xls]PRCSummary

R05 7.0.3

USFJ-LR-K-93

Base Year 2004 - PRC Version  
 CS 7 CITY CARRIERS STREET  
 WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

7.0.3

1 of 6

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	LOAD COLLECTION SPR 46.1	LOAD COLLECTION LTR 46.2	LOAD SPR NON-ACCT DELIV 46.3	LOAD SPR ACCT DELIV 46.4	LOAD SDR 46.5	LOAD MDR 46.6	LOAD BAM 46.7	TOTAL LOAD 46	COVERAGE LOAD SSS 610
	COLUMN NUMBER CALCULATIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) =C1..C7	(9)
	UNITS COLUMN SOURCE/NOTES	\$(000) WS 7.0.6 C1 + C2	\$(000) WS 7.0.6 C3 + C4	\$(000) WS 7.0.6 C5	\$(000) WS 7.0.6 C6	\$(000) WS 7.0.6.5 C8	\$(000) WS 7.0.6.6 C8	\$(000) WS 7.0.6.7 C8	\$(000)	\$(000) PRC WS 7.0.6.16 C6
1	<b>FIRST-CLASS MAIL</b>									
2	SINGLE-PIECE LETTERS	3,447	9,899	67	-	117,527	76,922	35,580	243,441	37,688
3	PRESORT LETTERS	-	-	70	-	120,108	148,011	12,248	280,437	39,505
4	TOTAL LETTERS	3,447	9,899	137	-	237,635	224,934	47,827	523,878	77,193
5	SINGLE-PIECE CARDS	193	554	4	-	8,374	7,288	1,464	17,877	1,162
6	PRESORT CARDS	-	-	4	-	8,708	7,234	541	14,488	1,336
7	TOTAL CARDS	193	554	8	-	15,083	14,522	2,005	32,365	2,498
8	<b>TOTAL FIRST-CLASS</b>	3,640	10,452	145	-	252,718	239,456	49,832	556,242	79,691
9	PRIORITY MAIL	51	146	1,011	-	19,329	8,330	4,791	33,658	359
10	EXPRESS MAIL	257	832	-	1,811	3,859	933	8,251	15,744	33
11	MAILGRAMS	-	-	3	-	22	10	1	36	16
12	<b>PERIODICALS</b>									
13	IN-COUNTY	-	-	10	-	4,171	1,045	130	5,356	307
14	OUTSIDE COUNTY:	-	-	-	-	-	-	-	-	-
15	REGULAR	-	-	112	-	45,963	11,515	1,434	59,025	3,381
16	NON-PROFIT	-	-	-	-	-	-	-	-	-
17	CLASSROOM	-	-	-	-	-	-	-	-	-
18	<b>TOTAL PERIODICALS</b>	-	-	122	-	50,134	12,560	1,564	64,381	3,688
19	<b>STANDARD MAIL</b>									
20	COMMERCIAL STANDARD:									
21	ENHANCED CARR RTE	-	-	66	-	179,847	100,582	1,818	282,313	26,698
22	REGULAR	-	-	124	-	245,977	177,967	13,349	437,418	38,826
23	TOTAL COMMERCIAL	-	-	190	-	425,824	278,549	15,167	719,730	65,524
24	AGGREGATE NONPROFIT:	-	-	-	-	-	-	-	-	-
25	NONPROF ENH CARR RTE	-	-	-	-	-	-	-	-	-
26	NONPROFIT	-	-	-	-	-	-	-	-	-
27	TOTAL AGGREG NONPROFIT	-	-	-	-	-	-	-	-	-
28	<b>TOTAL STANDARD MAIL</b>	-	-	190	-	425,824	278,549	15,167	719,730	65,524



R05 7.0.3

US, J-LR-K-93

Base Year 2004 - PRC Version  
 CS 7 CITY CARRIERS STREET  
 WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

7.0.3

2 of 6

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	LOAD COLLECTION SPR 46.1	LOAD COLLECTION LTR 46.2	LOAD SPR NON-ACCT DELIV 46.3	LOAD SPR ACCT DELIV 46.4	LOAD SDR 46.5	LOAD MDR 46.6	LOAD BAM 46.7	TOTAL LOAD 46	COVERAGE LOAD SSS 610
	COLUMN NUMBER CALCULATIONS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) =C1..C7	(9)
	UNITS COLUMN SOURCE/NOTES	\$(000) WS 7.0.6 C1 + C2	\$(000) WS 7.0.6 C3 + C4	\$(000) WS 7.0.6 C5	\$(000) WS 7.0.6 C6	\$(000) WS 7.0.6.5 C8	\$(000) WS 7.0.6.6 C8	\$(000) WS 7.0.6.7 C8	\$(000)	\$(000) PRC WS 7.0.6.16 C6
29	<b>PACKAGE SERVICES</b>									
30	PARCELS ZONE RATE	23	65	422	-	16,749	6,171	1,890	25,320	194
31	BOUND PRINTED MATTER	-	-	622	-	10,224	4,429	3,245	18,520	208
32	MEDIA MAIL	-	-	228	-	6,075	2,980	1,335	10,618	87
33	LIBRARY MAIL	-	-	-	-	-	-	-	-	-
34	<b>TOTAL PACKAGE SERVICES</b>	23	65	1,272	-	33,047	13,580	6,471	54,458	488
35	US POSTAL SERVICE	32	91	-	-	585	1,111	139	1,957	196
36	FREE MAIL	5	13	-	-	1,226	785	131	2,159	26
37	INTERNATIONAL MAIL	43	123	80	288	3,146	2,233	447	6,360	132
38	<b>TOTAL MAIL</b>	4,049	11,722	2,822	1,899	789,890	557,546	86,795	1,454,724	150,153
39	<b>SPECIAL SERVICES:</b>									
40	REGISTRY	-	-	-	355	1,365	521	1,702	3,944	
41	CERTIFIED	-	-	-	-	20,153	4,432	38,660	63,245	
42	INSURANCE	-	-	-	-	2,683	408	2,912	6,003	
43	COD	-	-	-	68	228	45	18	360	
44	MONEY ORDERS	-	-	-	-	-	-	-	-	
45	STMPD CARDS	-	-	-	-	-	-	-	-	
46	STMPD ENVELOPES	-	-	-	-	-	-	-	-	
47	SPECIAL HANDLING	-	-	-	-	-	-	-	-	
48	POST OFFICE BOX	-	-	-	-	-	-	-	-	
49	OTHER	-	-	-	610	45,861	9,532	22,059	77,863	
50	<b>TOTAL SPECIAL SERVICES</b>	-	-	-	1,034	70,091	14,939	65,352	151,415	
51	<b>TOTAL VOLUME VARIABLE</b>	4,049	11,722	2,822	2,933	859,981	572,485	152,147	1,806,139	150,153
52	OTHER	13,956	40,080	-	-	-	-	-	54,036	
53	<b>GRAND TOTAL</b>	18,005	51,802	2,822	2,933	859,981	572,485	152,147	1,860,174	150,153

R05 7.0.3

US. J-LR-K-93

Base Year 2004 - PRC Version  
 CS 7 CITY CARRIERS STREET  
 WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

7.0.3  
 3 of 6

LINE NO.	CLASS, SUBCLASS, OR SPECIAL SERVICE	COVERAGE LOAD MSS 47	TIME AT STOP - COLLECTION LTR 48.7	TIME AT STOP - SPR DELIVERIES 48.6	COVERAGE - RELATED LOAD LTR 48.5	TIME AT STOP - COLLECTION SPR 48.8	DELIVERY ACCESS - SPR 48.1	ACCESS LTR 48.2	ACCESS - COLLECTION - SPR 48.3
	COLUMN NUMBER CALCULATIONS	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	UNITS COLUMNS SOURCE/NOTES	\$(000) L52 from WS 7.0.4.2 C5L23	\$(000) WS 7.0.6 C7+C8	\$(000) WS 7.0.6 C9	\$(000) WS 7.0.6.14 C23	\$(000) WS 7.0.6 C10+C11	\$(000) WS 7.0.6 C12	\$(000) WS 7.0.6.14 C22	\$(000) WS 7.0.6 C13+C14
1	<b>FIRST-CLASS MAIL</b>								
2	SINGLE-PIECE LETTERS		18,612	1,607	-	6,481	1,264	-	27,548
3	PRESORT LETTERS		-	1,884	-	-	1,325	-	-
4	TOTAL LETTERS		18,612	3,291	-	6,481	2,589	-	27,548
5	SINGLE-PIECE CARDS		1,041	90	-	362	71	-	1,541
6	PRESORT CARDS		-	103	-	-	81	-	-
7	TOTAL CARDS		1,041	193	-	362	152	-	1,541
8	<b>TOTAL FIRST-CLASS</b>		19,653	3,484	-	6,843	2,741	-	29,089
9	PRIORITY MAIL		274	16,934	-	95	13,321	-	405
10	EXPRESS MAIL		17	5,023	-	6	3,952	-	26
11	MAILGRAMS		-	46	-	-	36	-	-
12	<b>PERIODICALS</b>								
13	IN-COUNTY		-	166	-	-	131	-	-
14	OUTSIDE COUNTY:								
15	REGULAR		-	1,830	-	-	1,440	-	-
16	NON-PROFIT		-	-	-	-	-	-	-
17	CLASSROOM		-	-	-	-	-	-	-
18	<b>TOTAL PERIODICALS</b>		-	1,996	-	-	1,570	-	-
19	<b>STANDARD MAIL</b>								
20	COMMERCIAL STANDARD:								
21	ENHANCED CARR RTE		-	1,066	-	-	839	-	-
22	REGULAR		-	2,022	-	-	1,591	-	-
23	TOTAL COMMERCIAL		-	3,088	-	-	2,429	-	-
24	AGGREGATE NONPROFIT:		-	-	-	-	-	-	-
25	NONPROF ENH CARR RTE		-	-	-	-	-	-	-
26	NONPROFIT		-	-	-	-	-	-	-
27	TOTAL AGGREG NONPROFIT		-	-	-	-	-	-	-
28	<b>TOTAL STANDARD MAIL</b>		-	3,088	-	-	2,429	-	-

R05 7.0.3

US, J-LR-K-93

Base Year 2004 - PRC Version  
 CS 7 CITY CARRIERS STREET  
 WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

7.0.3  
 4 of 6

LINE NO	CLASS, SUBCLASS, OR SPECIAL SERVICE	COVERAGE LOAD MSS 47	TIME AT STOP- COLLECTION LTR 48.7	TIME AT STOP - SPR DELIVERIES 48.6	COVERAGE- RELATED LOAD - LTR 48.5	TIME AT STOP- COLLECTION SPR 48.8	DELIVERY ACCESS-SPR 48.1	ACCESS LTR 48.2	ACCESS- COLLECTION - SPR 48.3
	COLUMN NUMBER CALCULATIONS	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	UNITS COLUMN SOURCE/NOTES	\$(000) L52 from WS 7.0.4.2 C5L23	\$(000) WS 7.0.6 C7+C8	\$(000) WS 7.0.6 C9	\$(000) WS 7.0.6.14 C23	\$(000) WS 7.0.6 C10+C11	\$(000) WS 7.0.6 C12	\$(000) WS 7.0.6.14 C22	\$(000) WS 7.0.6 C13+C14
29	<b>PACKAGE SERVICES</b>								
30	PARCELS ZONE RATE		123	6,770	-	43	5,326	-	182
31	BOUND PRINTED MATTER		-	9,979	-	-	7,850	-	-
32	MEDIA MAIL		-	3,652	-	-	2,873	-	-
33	LIBRARY MAIL		-	-	-	-	-	-	-
34	<b>TOTAL PACKAGE SERVICES</b>		123	20,401	-	43	16,049	-	182
35	<b>US POSTAL SERVICE</b>		171	-	-	59	-	-	253
36	FREE MAIL		25	-	-	9	-	-	36
37	INTERNATIONAL MAIL		231	2,161	-	80	1,700	-	342
38	<b>TOTAL MAIL</b>		20,494	53,134	-	7,136	41,799	-	30,332
39	<b>SPECIAL SERVICES:</b>								
40	REGISTRY		-	-	-	-	-	-	-
41	CERTIFIED		-	-	-	-	-	-	-
42	INSURANCE		-	-	-	-	-	-	-
43	COD		-	-	-	-	-	-	-
44	MONEY ORDERS		-	-	-	-	-	-	-
45	STMPD CARDS		-	-	-	-	-	-	-
46	STMPD ENVELOPES		-	-	-	-	-	-	-
47	SPECIAL HANDLING		-	-	-	-	-	-	-
48	POST OFFICE BOX		-	-	-	-	-	-	-
49	OTHER		-	-	-	-	-	-	-
50	<b>TOTAL SPECIAL SERVICES</b>		-	-	-	-	-	-	-
51	<b>TOTAL VOLUME VARIABLE</b>		20,494	53,134	-	7,136	41,799	-	30,332
52	<b>OTHER</b>	760,838	18,564	2,685	-	6,272	2,112	2,163,808	21,259
53	<b>GRAND TOTAL</b>	760,838	39,058	55,818	-	13,408	43,911	2,163,808	51,591

R05 7.0.3

Base Year 2004 - PRC Version  
 CS 7 CITY CARRIERS STREET  
 WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

US, LR-K-93  
 7.0.3  
 5 of 6

LINE NO	CLASS, SUBCLASS, OR SPECIAL SERVICE	ACCESS- COLLECTION - LTR 48.4	TOTAL ACCESS 48	ACCESS LTR SSS 683	ROUTE 54	TOTAL LOAD, ACCESS, ROUTE	TOTAL SPR
	COLUMN NUMBER CALCULATIONS	(18)	(19) =C11...C18	(20)	(21)	(22) =C8+C19+C20 +C21	(23) =C1+C3+C4+C12+C 14+C15+C17
	UNITS COLUMN SOURCE/NOTES	\$(000) WS 7.0.6 C15+C16	\$(000)	PRC WS 7.0.6.16 C4	\$(000) [a]	\$(000)	\$(000) L53 includes WS 7.0.5 C5L49
1	<b>FIRST-CLASS MAIL</b>						
2	SINGLE-PIECE LETTERS	9,831	65,343	144,081	9,669	462,534	40,413
3	PRESORT LETTERS	-	3,009	151,028	9,198	443,672	3,079
4	TOTAL LETTERS	9,831	68,352	295,108	18,867	906,206	43,492
5	SINGLE-PIECE CARDS	550	3,655	4,442	163	26,137	2,260
6	PRESORT CARDS	-	185	5,109	151	19,933	189
7	TOTAL CARDS	550	3,839	9,551	314	46,069	2,449
8	<b>TOTAL FIRST-CLASS</b>	10,381	72,192	304,659	19,182	952,275	45,942
9	PRIORITY MAIL	145	31,173	1,374	21,588	87,794	31,817
10	EXPRESS MAIL	9	9,033	125	1,873	26,775	10,875
11	MAILGRAMS	-	82	61	78	255	85
12	<b>PERIODICALS</b>						
13	IN-COUNTY	-	297	1,173	1,706	8,532	307
14	OUTSIDE COUNTY:						
15	REGULAR	-	3,270	12,926	18,798	94,019	3,382
16	NON-PROFIT	-	-	-	-	-	-
17	CLASSROOM	-	-	-	-	-	-
18	<b>TOTAL PERIODICALS</b>	-	3,568	14,099	20,504	102,551	3,689
19	<b>STANDARD MAIL</b>						
20	COMMERCIAL STANDARD:						
21	ENHANCED CARR RTE	-	1,905	102,066	23,590	409,873	1,971
22	REGULAR	-	3,612	148,433	20,189	609,652	3,737
23	TOTAL COMMERCIAL	-	5,517	250,499	43,779	1,019,525	5,707
24	AGGREGATE NONPROFIT:	-	-	-	-	-	-
25	NONPROF ENH CARR RTE	-	-	-	700	700	-
26	NONPROFIT	-	-	-	2,932	2,932	-
27	TOTAL AGGREG NONPROFIT	-	-	-	3,631	3,631	-
28	<b>TOTAL STANDARD MAIL</b>	-	5,517	250,499	47,410	1,023,157	5,707

R05 7.0.3

USF J-LR-K-93

7.0.3

6 of 6

Base Year 2004 - PRC Version  
 CS 7 CITY CARRIERS STREET  
 WS 7.0.3 LETTER & SPR COST SUMMARY

File CS06&amp;7

LINE NO.	CLASS. SUBCLASS. OR SPECIAL SERVICE	ACCESS- COLLECTION LTR 48.4 (18)	TOTAL ACCESS 48 (19) =C11...C18	ACCESS LTR SSS 683 (20)	ROUTE 54 (21)	TOTAL LOAD, ACCESS ROUTE (22) =C8+C19+C20 +C21	TOTAL SPR (23) =C1+C3+C4+C12+C 14+C15+C17 \$(000) L53 includes WS 7.0.5 C5L49
	<b>COLUMN NUMBER CALCULATIONS</b>						
	<b>UNITS COLUMN SOURCE/NOTES</b>	\$(000) WS 7.0.6 C15+C18	\$(000)	PRC WS 7.0.6.16 C4	\$(000) [a]	\$(000)	
29	<b>PACKAGE SERVICES</b>						
30	PARCELS ZONE RATE	65	12,508	742	12,173	50,744	12,765
31	BOUND PRINTED MATTER	-	17,829	794	8,704	45,847	18,451
32	MEDIA MAIL	-	6,526	331	5,064	22,538	6,753
33	LIBRARY MAIL	-	-	-	1,423	1,423	-
34	<b>TOTAL PACKAGE SERVICES</b>	65	36,863	1,867	27,364	120,552	37,970
35	US POSTAL SERVICE	90	573	748	348	3,624	344
36	FREE MAIL	13	83	98	137	2,477	50
37	INTERNATIONAL MAIL	122	4,635	504	1,058	12,558	4,694
38	<b>TOTAL MAIL</b>	10,825	163,719	574,034	139,541	2,332,018	141,171
39	<b>SPECIAL SERVICES:</b>						
40	REGISTRY	-	-	-	-	3,944	355
41	CERTIFIED	-	-	-	-	63,245	-
42	INSURANCE	-	-	-	-	6,003	-
43	COD	-	-	-	-	360	68
44	MONEY ORDERS	-	-	-	-	-	-
45	STMPD CARDS	-	-	-	-	-	-
46	STMPD ENVELOPES	-	-	-	-	-	-
47	SPECIAL HANDLING	-	-	-	-	-	-
48	POST OFFICE BOX	-	-	-	-	-	-
49	OTHER	-	-	-	-	77,863	610
50	<b>TOTAL SPECIAL SERVICES</b>	-	-	-	-	151,415	1,034
51	<b>TOTAL VOLUME VARIABLE</b>	10,825	163,719	574,034	139,541	2,483,433	142,205
52	<b>OTHER</b>	7,601	2,222,301		2,962,798	5,239,135	203,846
53	<b>GRAND TOTAL</b>	18,426	2,386,020	574,034	3,102,340	7,722,568	346,051

## R05 Outputs to CRA

U.S. S-LR-K-93  
Outputs to CRA  
1 of 2

R  
C/S 6&7 CITY CARRIERS  
OUTPUTS TO CRA MODEL

File CS06&amp;7

LINE NO	CLASS SUBCLASS OR SPECIAL SERVICE	CRA CLASS	IN OFFICE DIRECT LABOR	LOAD	ACCESS	ROUTE	COVERAGE LOAD SSS	ACCESS SSS	SPR DIST KEY
	COLUMN NUMBER		(1) \$(000)	(2) \$(000)	(3) \$(000)	(4) \$(000)	(6) \$(000)	(7) \$(000)	(5) \$(000)
	COLUMN SOURCE/NOTES		WS 6.0.2.1 C2	WS 7.0.3.1 C2	WS 7.0.3.1 C8	WS 7.0.3.1 C12	WS 7.0.3.1 C4	WS 7.0.3.1 C10	WS 7.0.3 C23
	MODEL COMPONENT		43	46	48	54	610	663	578
1	FIRST-CLASS MAIL								
2	SINGLE-PIECE LETTERS	101	932,061	243,441	65,343	9,669	37,688	144,081	40,413
3	PRESORT LETTERS	102	426,375	280,437	3,009	9,198	39,505	151,028	3,079
4	TOTAL LETTERS		1,358,436	523,878	68,352	18,867	77,193	295,108	43,492
5	SINGLE-PIECE CARDS	104	57,206	17,877	3,655	183	1,162	4,442	2,260
6	PRESORT CARDS	105	18,245	14,488	185	151	1,336	5,109	189
7	TOTAL CARDS		75,451	32,365	3,840	314	2,498	9,551	2,449
8	TOTAL FIRST-CLASS		1,433,887	556,243	72,192	19,181	79,691	304,659	45,941
9	PRIORITY MAIL	110	36,658	33,658	31,173	21,588	359	1,374	31,817
10	EXPRESS MAIL	111	5,118	15,744	9,033	1,873	33	125	10,875
11	MAILGRAMS	112	-	36	82	76	16	61	85
12	PERIODICALS								
13	IN-COUNTY	113	8,724	5,356	287	1,706	307	1,173	307
14	OUTSIDE COUNTY	117	218,182	59,025	3,270	18,798	3,381	12,926	3,382
15	TOTAL PERIODICALS		224,906	64,381	3,567	20,504	3,688	14,099	3,689
16	STANDARD MAIL								
17	ENHANCED CARRIER ROUTE	128	254,233	282,313	1,905	24,290	26,698	102,066	1,971
18	REGULAR	127	864,673	437,418	3,812	23,121	38,826	148,433	3,737
19	TOTAL STANDARD MAIL		1,118,906	719,731	5,517	47,411	65,524	250,499	5,708
20	PACKAGE SERVICES								
21	PARCEL POST	136	8,373	25,320	12,508	12,173	194	742	12,765
22	BOUND PRINTED MATTER	137	12,897	18,520	17,829	8,704	208	794	18,451
23	MEDIA MAIL	139	7,487	10,618	6,528	6,487	87	331	6,753
24	TOTAL PACKAGE SERVICES		28,767	54,458	36,863	27,364	488	1,867	37,969
25	US POSTAL SERVICE	142	20,227	1,957	573	348	196	748	344
26	FREE MAIL	147	950	2,159	83	137	26	98	50
27	INTERNATIONAL MAIL	161	15,314	6,360	4,835	1,058	132	504	4,694
28	TOTAL MAIL		2,884,733	1,454,727	163,718	139,540	150,153	574,034	141,172
29	SPECIAL SERVICES:								
30	REGISTRY	163	978	3,944	-	-	-	-	355
31	CERTIFIED	164	30,548	63,245	-	-	-	-	-
32	INSURANCE	165	1,356	6,003	-	-	-	-	-
33	COD	166	406	380	-	-	-	-	68
34	MONEY ORDERS	168	-	-	-	-	-	-	-
35	STMPD CARDS		-	-	-	-	-	-	-
36	STMPD ENVELOPES	169	-	-	-	-	-	-	-
37	SPECIAL HANDLING	170	-	-	-	-	-	-	-
38	POST OFFICE BOX	171	908	-	-	-	-	-	-
39	OTHER	172	6,985	77,863	-	-	-	-	610
40	TOTAL SPECIAL SERVICES		41,177	151,415	-	-	-	-	1,033
41	TOTAL VOLUME VARIABLE		2,925,910	1,606,142	163,718	139,540	150,153	574,034	142,205
42	OTHER	199	452,767	54,036	2,222,301	2,962,798	-	-	203,846
43	GRAND TOTAL		3,378,677	1,660,178	2,386,019	3,102,338	150,153	574,034	346,051

R05 Outputs to CRA

R  
C/S 6&7 CITY CARRIERS  
OUTPUTS TO CRA MODEL

File CS06&7

U.S. LR-K-93  
Outputs to CRA  
2 of 2

LINE NO	COMPONENT TITLE	MODEL COMPONENT	SOURCE	ACCUMULATED COST
	COLUMN NUMBER UNITS	(1)	(2)	(3) \$(000)
44	6.2 OVERHEAD	44	WS 6.0.4 C3L4	784,912
45	6.2 OTHER OFFICE	45	WS 6.0.4 C3L7	508
46	SUPPORT: IN-OFFICE	49	WS 6.0.4 C3L17	658,601
47	SUPPORT: LOAD	50	WS 6.0.4 C3L18	300,185
48	SUPPORT: COV LOAD	51	WS 6.0.4 C3L19	135,802
51	SUPPORT: COV LOAD SSS	884	WS 6.0.4 C3L20	28,801
49	SUPPORT: ACCESS	52	WS 6.0.4 C3L21	452,508
52	SUPPORT: ACCESS SSS	639	WS 6.0.4 C3L22	102,459
50	SUPPORT: ROUTE	53	WS 6.0.4 C3L23	579,205
53	STREET: COV LOAD	47	WS 6.0.4 C3L12	780,838

PROCEED (+ 2 or -2)

CALCULATED CITY CARRIERS COMPONENT COSTS =

C1...C7L43 + C3L44...L53 15,033,198

ACTUAL COMPONENT COSTS FOR CITY CARRIERS 15,033,198

R05 Delivery Volume

SPS LR-K-301  
Very Volumes

## Volume Crosswalk

Crosswalked Rural Volumes				CS7 Distribution Key Inputs				RPW Permit System				Implied PO Box Volume				
First-Class	Letters	Flats	Parcels	Total Rural	CCS Letters	CCS Flats	CCS Parcels	Total CCS	Letters	Flats	Parcels	Total RPW	Letters	Flats	Parcels	Total PO Box
Single-Piece	10,633,376	512,731	48,720	11,194,827	17,585,046	1,701,042	237,599	19,503,687	40,932,061	3,746,071	481,514	45,161,746	13,108,848	1,200,169	154,218	14,461,233
Presort	12,836,486	(344,358)	1,451	12,493,583	29,355,020	470,464	11,121	29,837,205	46,509,242	916,987	7,610	47,333,816	4,915,875	86,351	804	5,003,030
Standard Mail (A)	5,715,258	6,734,917	(14,149)	12,436,026	7,798,533	14,407,108	56,918	22,262,559	6,500,889	24,482,940	1,766	32,895,701	(139,503)	(1,286,280)	(91)	(1,705,864)
ECR Total	14,782,585	2,104,810	158,785	17,046,180	29,852,138	8,612,237	458,584	38,322,959	49,117,714	13,859,534	590,572	62,967,820	5,336,138	1,594,595	87,948	7,188,081
Regular																
First-Class																
Single-Piece																
Presort																
Standard Mail (A)																
ECR Total																
Regular																
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ECR Total																
Regular																
First-Class																



Activity Code	[1]	[2]	[3]	[4]	[5]	[6]	[7]
	routes 87-98	routes 71-99	Total Cost	FY93 volumes LR MCR-10 or Billing Det.	unit cost \$FY93	ratioed unit cost \$BY04	ratioed unit cost \$TY06
1060 1C Single-Piece Letters	3,863,090	1,001,775,439	\$ 1,005,638,529				
1061 1C Combined w/ or w/o ZIP+4 Letters	-	2,938,878	\$ 2,938,878				
1092 1C ZIP+4 Letters	638,147	67,370,164	\$ 68,008,311				
Total	4,501,237	1,072,084,481	\$ 1,076,585,718	50,443,703	\$ 0.0213	\$ 0.0316	\$ 0.0338
1091 1C ZIP+4 Presort Letters	119,526	48,363,206	\$ 48,482,732				
1093 Barcoded Letters	559,388	136,354,960	\$ 136,914,348				
1081 1C Combined Presort Letters	-	1,130,040	\$ 1,130,040				
1080 1C Presorted Letters	845,532	416,720,730	\$ 417,566,262				
1085 1C CR Letters	70,045	48,811,245	\$ 48,881,290				
Total	1,524,446	602,568,936	\$ 652,974,672	29,486,424	\$ 0.0221	\$ 0.0327	\$ 0.0351
1C Single Piece Cards	129,654	47,560,243	\$ 47,689,897	2,913,620	\$ 0.0164	\$ 0.0242	\$ 0.0259
1C Presorted Cards	126,625	16,041,099	\$ 16,167,724	1,226,216	\$ 0.0132	\$ 0.0195	\$ 0.0209
1340 Reg (Bulk Rate Other) Letter	783,071	215,972,123	\$ 216,755,194	17,850,124	\$ 0.0121	\$ 0.0180	\$ 0.0192
1350 Nonprofit (Bulk Rate Other) Letter	185,317	76,531,437	\$ 76,716,754	7,301,594	\$ 0.0105	\$ 0.0155	\$ 0.0166

Total, Bulk Rate Other, Reg Plus Nonprofit	293,471,948	\$ 0.0117	\$ 0.0173	\$ 0.0185
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[1] ALA860P14 Docket No. R94-1 USPS-T-4 WP.C.4 page 120-123

[2] ALA860P14 Docket No. R94-1 USPS-T-4 WP.C.3 page 208-211

[3] [1] + [2]

[4] FY93 volumes LR MCR-10 or Billing Det.

[5] [3] / [4]

[6] [5] \* [9] / [8]

[7] [5] \* [10] / [8]

[8] FY93 wage rate \$ 23.1880 Docket No. R2000-1, USPS-LR-I-95, LR95revised.xls, worksheet 'letters 93'

[9] BY04 wage rate \$ 34.2849

[10] TY06 wage rate \$ 36.7160

Rural Defined Pieces (000)										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-DPS Letters (Lst)	DPS/ Sec Seg (rDPS)	Flats (rFlat)	Parcels (rPar)	Subtotal (1)	Boxholder (rBox)	Postage Due (rPoDu)	Lb/rR Collected (rCol)	Parcels Accepted (rCol)	Total
First-Class	2,142,028	4,807,230	644,777	113,486	7,707,520	1,466	5,870	3,475,630	6,541	11,196,827
Single-Piece	2,787,251	9,505,326	196,551	3,702	12,492,832	348	404			12,493,583
Presort										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)			
	Adjusted Letters	DPS/ Sec Seg	Adjusted Flats	Adjusted Parcels	Boxholder	Subtotal (1)	Postage Due			Total
Standard Mail (A)										
ECR	1,789,471	1,083,400	5,774,818	22,672	1,744,134	10,414,496				10,414,496
Regular	3,113,658	9,266,715	3,573,387	229,091	256,036	16,438,888	1,095			16,439,981

DMM Defined Pieces (000)																
	dLet/rLet	dLet/rFlat	dLet/rDPS	dLet/rBox	dFlat/rFlat	dFlat/rPar	dFlat/rBox	dPar/rPar	dPar/rFlat	dPar/rBox	dLet/rPoDu	dFlat/rPoDu	dLet/rCol	dFlat/rCol	dPar/rCol	total
First-Class	6,260,186	487,864	330,521	1,328	557,827	71,323	122	-	-	16	5,207	463	3,181,920	283,710	6,541	11,196,827
Single-Piece	11,224,943	543,167	622,891	342	97,530	2,251	6	2,251	-	0	400	3	-	-	-	12,493,583
Presort	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Standard Mail (A)	704,195	368,660	90,089	-	-	-	-	-	-	-	-	-	-	-	-	1,164,174
ECR Auto	794,768	1,025,706	199,168	-	3,364,012	36,988	-	-	-	-	-	-	-	-	-	5,420,840
ECR LOT	33,184	-	-	1,446,800	30,823	-	2,318,697	-	-	167	-	-	-	-	-	3,829,682
ECR WSS/WSH	1,532,157	1,395,590	289,265	1,446,800	3,394,835	36,988	2,318,697	-	-	167	-	-	-	-	-	10,414,496
ECR Total	5,086,284	2,289,723	1,752,189	111,853	6,028,704	167,299	719,704	185,116	66,326	30,867	626	469	-	-	-	16,439,981
Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Hidden DMM Transfers (000)						
	dLet/rLet	dLet/rDPS	dFlat/rFlat	dLet/rPar	dBox/rLet	total
First-Class	(4,118,156)	4,476,709	(400,714)	42,163	-	(0)
Single-Piece	(8,437,892)	8,882,837	(444,146)	(799)	-	0
Presort	-	-	-	-	-	-
Standard Mail (A)	257,314	794,135	964,397	(14,316)	(2,021,530)	-
ECR Total	(1,972,836)	7,514,528	(4,812,366)	(123,326)	(806,199)	-
Regular	-	-	-	-	-	-

DMM Defined Costs (\$000)																
	dLet/rLet	dLet/rFlat	dLet/rDPS	dLet/rBox	dFlat/rFlat	dFlat/rPar	dFlat/rBox	dPar/rPar	dPar/rFlat	dPar/rBox	dLet/rPoDu	dFlat/rPoDu	dLet/rCol	dFlat/rCol	dPar/rCol	total
First-Class	\$ 0.0487	\$ 0.0819	\$ 0.0193	\$ 0.0302	\$ 0.0819	\$ 0.2672	\$ 0.0302	\$ 0.2672	\$ 0.0819	\$ 0.0302	\$ 0.0681	\$ 0.0681	\$ 0.0175	\$ 0.0175	\$ 1.4467	434,828
Single-Piece	\$ 286,280	\$ 25,305	\$ 5,071	\$ 40	\$ 28,945	\$ 18,345	\$ 4	\$ -	\$ -	\$ 0	\$ 355	\$ 32	\$ 55,862	\$ 4,965	\$ 9,423	557,316
Presort	\$ 513,320	\$ 28,185	\$ 9,554	\$ 10	\$ 5,061	\$ 579	\$ 0	\$ 579	\$ -	\$ 0	\$ 27	\$ 0	\$ -	\$ -	\$ -	-
Standard Mail (A)	\$ 32,203	\$ 19,193	\$ 1,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	52,778
ECR Auto	\$ 36,345	\$ 53,224	\$ 3,056	\$ -	\$ 174,558	\$ 9,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	276,696
ECR LOT	\$ 1,518	\$ -	\$ -	\$ 43,782	\$ 1,599	\$ -	\$ 70,134	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	117,019
ECR WSS/WSH	\$ 70,066	\$ 72,417	\$ 4,436	\$ 43,782	\$ 176,157	\$ 9,514	\$ 70,134	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	448,493
ECR Total	\$ 232,598	\$ 118,813	\$ 26,684	\$ 3,384	\$ 312,879	\$ 43,032	\$ 21,769	\$ 47,615	\$ 3,442	\$ 928	\$ 43	\$ 32	\$ -	\$ -	\$ -	811,418
Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Implicit DMM Defined Cost Adjustments (\$000)						
Cost Per Piece	dLet/rDPS	dFlat/rFlat	dLet/rPar	dBox/rLet	Correction to DPS/SecSeg for Difference in Cost Per Piece by Class	
First-Class	\$ (0.0304)	\$ 0.0062	\$ 0.2118	\$ (0.0168)	\$ -	-
Single-Piece	\$ (0.0308)	\$ 0.0062	\$ 0.2116	\$ (0.0168)	\$ (0.0001)	-
Presort	-	-	-	-	-	-
Standard Mail (A)	\$ (0.0300)	\$ 0.0062	\$ 0.2116	\$ (0.0168)	\$ 0.0004	-
ECR Total	\$ (0.0308)	\$ 0.0062	\$ 0.2116	\$ (0.0168)	\$ (0.0001)	-
Regular	-	-	-	-	-	-
Cost (\$000)						total
Single-Piece	\$ (136,034)	\$ (2,468)	\$ 8,917	\$ -	\$ -	\$ (129,585)
Presort	\$ (270,779)	\$ (2,736)	\$ (169)	\$ -	\$ -	\$ (273,744)
Standard Mail (A)	\$ (23,790)	\$ 6,063	\$ (3,028)	\$ 31,299	\$ 124	\$ 10,669
ECR Total	\$ (229,480)	\$ (29,641)	\$ (26,082)	\$ 9,396	\$ (280)	\$ (276,057)
Regular	-	-	-	-	-	-

Adjusted DMM Defined Costs (\$000)																			total from Rural cost
	dLet/rLet	dLet/rFlat	dLet/rDPS	dLet/rBox	dFlat/rLet	dFlat/rFlat	dFlat/rPar	dFlat/rBox	dLet/rPar	dPar/rPar	dPar/rFlat	dPar/rBox	dBox/rLet	dLet/rPoDu	dFlat/rPoDu	dLet/rCol	dFlat/rCol	dPar/rCol	
First-Class																			
Single-Piece	\$ 286,280	\$ 25,305	\$ (130,962)	\$ 40	\$ (2,468)	\$ 28,945	\$ 18,345	\$ 4	\$ 8,917	\$ -	\$ -	\$ 0	\$ -	\$ 355	\$ 32	\$ 55,862	\$ 4,965	\$ 9,423	305,043
Presort	\$ 513,320	\$ 28,185	\$ (261,285)	\$ 10	\$ (2,736)	\$ 5,061	\$ 579	\$ 0	\$ (169)	\$ 579	\$ -	\$ 0	\$ -	\$ 27	\$ 0	\$ -	\$ -	\$ -	263,572
Standard Mail (A)																			

End-Use	Cost Distribution, %	Barbitol	Total
Single-Piece	77.2%	6.0%	100.0%
Present	94.8%	1.0%	100.0%
Second-Chance Mail	2.9%	1.0%	100.0%
ECR Mail (2)			
Letter	0.6%	0.0%	100.0%
ECR LOT	13.8%	0.0%	100.0%
ECR WSWH	38.7%	0.0%	100.0%
ECR WSWH	35.8%	0.001%	100.0%
ECR Total	87.29%	0.001%	100.0%
Regular	28.39%	1.75%	100.0%

Est. Class	Lottery	Volume Growth	Booths	Total
Style-Piece		Fiber	Price	
Present		912,731	48,720	
		(344,356)	1,451	
Standard Mail (A)	1,184,174			1,184,174
ECR Auto	2,010,640	3,011,000		5,020,640
ECR Lot	1,479,995	2,348,520	167	3,828,682
ECR WBSH	5,715,250	6,734,917	(14,149)	10,414,088
ECR Total	14,782,595	2,100,810	158,785	16,439,981
ECR			(806,189)	

Line-Item	Volume Crosswalk Distribution Key			Total
	Letting	Final	Finals	
Single-Phase	85.0%	4.6%	0.0%	100.0%
Pretest	102.7%	-2.6%	0.0%	100.0%
Standard Mail (A)	100.0%	0.0%	0.0%	100.0%
ECR Auto	37.3%	62.7%	0.0%	100.0%
ECR LOT	38.6%	61.4%	0.0%	100.0%
ECR WSS/MSH	54.8%	64.7%	-0.1%	100.0%
ECR Total	89.8%	12.8%	-3.7%	100.0%
Register				

[illegible]

	% male	% female
Presidents	100	0
Vice-Pres	98	2
President	100	0
Sen. Carls	100	0
Pres. Carls	100	0
SEN	100	0

Figures from the Cost Segments and Components Report. Exhibit L889-1.4. (NYSE: Market)

[illegible]

K-67 TY

ECR Fields Subtotal, Check													
205,357	18,085	81,035	300,038	37,585	13,345	15,883	1,308,162	27,078,457	0.0302	0.0181	0.0483		
ECR Basic Parcels													
0.0185	26	1	8	110	13	5	146	381	1,553	0.1342	0.1113	0.2455	
ECR High Density Parcels													
0.3465	2	0	0	0	0	0	0	0	0	0.0535	0.0098	0.0035	
ECR Insurance Labels													
0.0000	0	0	0	0	0	0	0	0	0	0.0328	0.0030	0.0000	
ECR Saturation Parcels													
0.0156	30	1	8	136	16	6	157	436	1,952	0.1280	0.0682	0.2232	
ECR Parcel Subtotal													
0.0156	30	1	8	136	16	6	157	436	1,952	0.1280	0.0682	0.2232	
ECR Parcels Subtotal, Check													
0.0123	181,391	13,379	47,744	184,223	22,405	7,955	268,864	871,220	14,877,185	0.0391	0.0224	0.0615	
ECR Basic Nonletters													
0.0064	11,229	3,605	3,340	25,679	3,147	1,118	25,546	85,131	1,057,364	0.0304	0.0158	0.0482	
ECR High Density Nonletters													
0.0033	32,787	3,892	9,890	96,071	12,046	4,278	121,441	448,638	11,003,920	0.0186	0.0130	0.0317	
ECR Saturation Nonletters													
0.0083	206,387	18,096	61,044	309,174	37,801	13,351	415,860	1,308,598	27,078,490	0.0302	0.0181	0.0483	
ECR Nonletters													
205,387	18,086	61,044	309,174	37,801	13,351	13,351	415,860	1,308,598	27,078,490	0.0302	0.0181	0.0483	
ECR Nonletters, Check													
205,387	18,086	61,044	309,174	37,801	13,351	13,351	415,860	1,308,598	27,078,490	0.0302	0.0181	0.0483	
ECR Saturation Letters Minus All DALs: I.E., ECR Saturation Attached-Label Letters													
28,356	2,207	6,833	52,490	6,388	2,287	2,287	30,016	163,038					
21,758	1,801	6,436	58,183	7,198	2,556	2,556	91,773	233,851					
ECR Saturation Attached-Label Fields													
ECR Saturation DAL Letters Associated with Saturation-Flat Host Pieces of DAL Mailings													
11,009	723	3,205	46,472	5,695	2,007	2,007	41,803	136,854					
Saturation-Flat Host Pieces of DAL Mailings													
32,67	3,692	9,950	90,853	8,448	1,721	1,721	28,657	95,780					
32,67	3,692	9,950	90,853	8,448	1,721	1,721	28,657	95,780					
ECR Saturation Fields, Check													
0.0014	3,047	115	660	17,882	2,176	772	30,751	87,848	2,338,199	0.0135	0.0165	0.0290	
TOTAL ECR Basic Auto. TY													
0.0124	187,462	15,490	55,439	211,016	25,736	9,138	230,188	987,843	16,332,106	0.0320	0.0213	0.0605	
TOTAL ECR Basic, TY													
0.0088	16,983	1,477	4,771	36,729	4,468	1,586	40,188	118,091	2,871,930	0.0320	0.0139	0.0469	
TOTAL ECR High Density, TY													
0.0045	82,125	5,869	18,593	188,034	24,092	8,551	193,262	630,805	15,233,755	0.0284	0.0160	0.0414	
TOTAL ECR Saturation, TY													
0.0080	286,607	22,948	79,087	464,263	58,474	20,048	548,596	1,804,386	36,478,081	0.0317	0.0178	0.0485	
GRAND TOTAL ECR TY, CHECK													
286,607	22,948	79,087	464,263	58,474	20,048	20,048	548,596	1,804,386	36,478,081	0.0317	0.0178	0.0485	
GRAND TOTAL ECR TY, DOUBLE CHECK													
286,607	22,948	79,087	464,263	58,474	20,048	20,048	548,596	1,804,386	36,478,081	0.0317	0.0178	0.0485	

TY Polybags			
Single-Piece	Qty	Real	
Presort	1,268	1,182	
GP Cards	1,268	1,182	
Report Cards	1,268	1,182	
ECR	1,268	1,182	
BS	1,262	1,182	

0.0343	60,447	0.0390	60,447	0.0343
0.0633	137,046	0.0638	137,046	0.0633
0.0832	35,380	0.0461	35,380	0.0832
0.0787	353,061	0.0687	353,061	0.0787
0.0623	585,864	0.0828	585,864	0.0623
0.0343	485,811	0.0348	485,811	0.0343
0.0714	136,275	0.0787	136,275	0.0714
0.0842	590,837	0.0883	590,837	0.0842
0.0460	1,218,723	0.0483	1,218,723	0.0460
1,527,488	1,604,386			

6510



	1994	1994
	Q1	Q1
Investments	1,348	1,175
Private-Public	1,348	1,175
Present	1,348	1,175
for Cdn.	1,348	1,175
Present Cdn.	1,348	1,175
ECN	1,348	1,175

<sup>a</sup>Fig. 6000 from the Cost-Benefit and Community Support, Exhibit 18B-9, p. 12, McGraw-Hill.

[illegible]

K-145 TY

ECR Basic Flats	0.0123	161,393	13,378	47,736	184,114	22,392	7.95	5	285,717	871,447	14,185,831	0.0361	0.0224	0.0615
ECR High Density Flats	0.0064	11,227	965	3,338	25,876	3,147	1.18	2	25,546	98,127	1,907,297	0.0304	0.0158	0.0462
ECR Saturation Flats	0.0033	32,767	3,892	9,890	49,046	12,448	4.277	6	121,430	346,588	11,003,628	0.0186	0.0130	0.0317
ECR Flats Subtotal	0.0063	205,367	18,065	61,055	309,036	37,985	13.345	32	415,683	1,308,182	27,078,457	0.0302	0.0181	0.0483
ECR Flats Subtotal, Check		205,367	18,065	61,055	309,036	37,985	13.345	32	415,683	1,308,182	27,078,457	0.0302	0.0181	0.0483
ECR Basic Parcels	0.0185	28	1	8	110	13	5	0	148	381	1,553	0.1342	0.1113	0.2455
ECR High Density Parcels	0.0060	2	0	1	25	3	1	0	0	5	7	0.0328	0.0098	0.0635
ECR Saturation Parcels	0.0159	30	1	8	135	16	6	0	157	436	1,852	0.1280	0.0852	0.2232
ECR Parcels Subtotal, Check		30	1	8	135	16	6	0	157	436	1,852	0.1280	0.0852	0.2232
ECR Basic Nonletters	0.0123	161,391	13,379	47,744	184,223	22,405	7.955	25	285,864	871,629	14,187,185	0.0361	0.0224	0.0615
ECR High Density Nonletters	0.0064	11,229	966	3,340	25,879	3,147	1.18	2	25,546	98,131	1,907,304	0.0304	0.0158	0.0462
ECR Saturation Nonletters	0.0033	32,767	3,892	9,890	49,046	12,448	4.278	6	121,441	346,598	11,003,629	0.0186	0.0130	0.0317
ECR Nonletters	0.0063	205,387	18,066	61,044	309,174	37,801	13.351	32	415,850	1,308,588	27,078,409	0.0302	0.0181	0.0483
ECR Nonletters, Check		205,387	18,066	61,044	309,174	37,801	13.351	32	415,850	1,308,588	27,078,409	0.0302	0.0181	0.0483
ECR Saturation Letters Minus All DAs														
I.E., ECR Saturation Attached-Label Letters														
ECR Saturation Attached-Label Flats														
ECR Saturation DAL Letters Associated with Saturation-Flat Host Pieces of DAL Mailings														
Saturation-Flat Host Pieces of DAL Mailings														
ECR Saturation Flats, Check		32,767	3,892	9,890	49,046	12,448	4.277	1,721	29,657	95,789	1,214,530	0.0155	0.0213	0.0290
TOTAL ECR Basic Auto, TY	0.0014	3,047	115	865	17,862	2,176	772	1	30,751	87,845	2,338,189	0.0135	0.0135	0.0290
TOTAL ECR Basic, TY	0.0124	167,452	15,456	55,439	211,618	25,739	9.138	29	284,364	892,833	16,335,198	0.0320	0.0138	0.0605
TOTAL ECR High Density, TY	0.0068	15,883	1,477	4,771	36,729	4,480	1.866	3	30,185	78,891	2,871,920	0.0320	0.0138	0.0459
TOTAL ECR Saturation, TY	0.0045	62,125	5,899	18,593	106,034	24,052	8.951	10	193,262	630,803	15,233,755	0.0284	0.0180	0.0414
GRAND TOTAL ECR, TY	0.0080	269,607	22,846	79,887	484,263	56,474	20.046	42	549,598	1,804,358	38,478,091	0.0317	0.0178	0.0495
GRAND TOTAL ECR TY, CHECK		269,607	22,846	79,887	484,263	56,474	20.046	42	549,598	1,804,358	38,478,091	0.0317	0.0178	0.0495
GRAND TOTAL ECR TY, DOUBLE CHECK		269,607	22,846	79,887	484,263	56,474	20.046	42	549,598	1,804,358	38,478,091	0.0317	0.0178	0.0495

TY Piggyback		city	rural
Single-Piece	1,266	1,266	1,182
Pre-sort	1,266	1,266	1,182
SP Cards	1,266	1,266	1,182
Pre-sort Cards	1,266	1,266	1,182
ECR	1,266	1,266	1,182
Reg	1,262	1,262	1,182

2,338,189	67,845	0.0290	80,147	0.0343
2,185,011	118,015	0.0538	137,045	0.0533
864,628	28,659	0.0481	35,390	0.0532
4,229,835	281,887	0.0687	333,081	0.0787
9,397,872	495,788	0.0528	585,864	0.0623
14,187,185	521,422	0.0368	485,611	0.0343
1,907,304	115,362	0.0767	136,275	0.0714
11,003,920	505,247	0.0892	598,837	0.0542
27,078,409	1,031,899	0.0483	1,218,723	0.0460
1,527,468	1,804,386			

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

**MMA/USPS-15**

The following cost data are taken directly from Library References USPS-LR-K-3 and USPS-LR-K-94 for BY 2004.

**City Carrier Delivery Costs for BY 2004 Using the USPS and PRC  
Cost Attribution Methodologies  
(\$ 000's)**

<b>Cost Category</b>	<b>Rate Category</b>	<b>USPS Methodology</b>	<b>PRC Methodology</b>	<b>USPS-PRC</b>
Segment 6 (In-Office)	Single Piece	1,231,576	1,143,214	88,362
Segment 6 (In-Office)	Workshare	566,736	522,968	43,768
Segment 6 (In-Office)	First Class	1,798,312	1,666,182	132,130
Segment 6 (In-Office)	All Other	2,071,648	1,922,576	149,072
Segment 6 (In-Office)	Total	3,869,960	3,588,758	281,202
Segment 7 (Delivery)	Single Piece	1,044,816	500,222	544,594
Segment 7 (Delivery)	Workshare	552,395	483,177	69,218
Segment 7 (Delivery)	First Class	1,597,211	983,399	613,812
Segment 7 (Delivery)	All Other	1,773,951	1,650,190	123,761
Segment 7 (Delivery)	Total	3,371,162	2,633,589	737,573
Segment 7 (Support)	Single Piece	134,689	272,342	(137,653)
Segment 7 (Support)	Workshare	67,279	170,113	(102,834)
Segment 7 (Support)	First Class	201,968	442,455	(240,487)
Segment 7 (Support)	All Other	235,152	604,645	(369,493)
Segment 7 (Support)	Total	437,120	1,047,100	(609,980)
Segment 7 (Total)	Single Piece	1,179,505	772,564	406,941
Segment 7 (Total)	Workshare	619,674	653,290	(33,616)
Segment 7 (Total)	First Class	1,799,179	1,425,854	373,325
Segment 7 (Total)	All Other	2,009,103	2,254,835	(245,732)
Segment 7 (Total)	Total	3,808,282	3,680,689	127,593
Total City Carrier Delivery Costs	Single Piece	2,411,081	1,915,778	495,303
Total City Carrier Delivery Costs	Workshare	1,186,410	1,176,258	10,152
Total City Carrier Delivery Costs	First Class	3,597,491	3,092,036	505,455
Total City Carrier Delivery Costs	All Other	4,080,751	4,177,411	(96,660)
Total City Carrier Delivery Costs	Total	7,678,242	7,269,447	408,795

- A. Please confirm that the data in the table above are correct. If they are not correct, please reproduce the table with the correct data.
- B. Please explain why, as a result of implementing the Postal Service's methodology, Segment 6 (In-Office) attributable costs increase by \$281 million and why First-Class letters constitutes 47% of that total.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

- C. Please explain why, as a result of implementing the Postal Service's methodology, Segment 7 (Delivery) attributable costs increase by \$738 million and why First-Class letters constitutes 83% of that total.
- D. Please explain why, as a result of implementing the Postal Service's methodology, Segment 7 (Support) attributable costs decrease by \$610 million and why First-Class letters constitutes 39% of that total.
- E. Please explain why, as a result of implementing the Postal Service's methodology, Segments 6 and 7, Total City Carrier Delivery attributable costs increase by \$409 million, and why these costs increase by \$505 million for First Class while they decrease by \$97 million for all other categories of mail.
- F. Please explain why \$505 million of Segments 6 and 7, Total City Carrier Delivery Costs, which were heretofore deemed to be institutional costs, are now deemed to be attributable to First-Class, as a result of implementing the Postal Service's methodology.
- G. Please explain why \$97 million of Segments 6 and 7, Total City Carrier Delivery Costs, which were heretofore deemed to be attributable to all categories other than First-Class letters, are now deemed to be institutional, as a result of implementing the Postal Service's methodology.

**RESPONSE:**

Before proceeding to the specific questions posed, it is necessary to clarify the context. As Prof. Bradley describes in his testimony (USPS-T-14), the Postal Service has developed and implemented an entirely new approach to the attribution and distribution of city carrier costs. Prof. Bradley identifies and discusses deficiencies in the established methodology, and explains why the proposed new approach constitutes a substantial improvement over the outdated and fragmented approach relied upon previously. Both the established methodology and the proposed methodology start with the same total accrued costs in Cost Segments 6 and 7. Beyond that, those total costs are partitioned into different cost pools, and different modes of analysis are employed. It is therefore difficult, if not impossible, to explain exactly why

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

each specific result is different by an observed magnitude, in an observed direction. In every instance, an obviously tautological response could be provided by simply indicating that the different results are the product of different inputs and different methodologies.

Part of the difficulty in this exercise is its simplistic focus on specific results, intentionally selected from a broader set of results to create particular impressions or misimpressions. The development of the Postal Service's approach, however, was as described at pages 11-14 of Prof. Bradley's testimony. As he stated, the goals of the study, set before it was begun, were "to produce accurate measurements of volume variable street time costs per class and subclass and to build a cost structure that provides reliable costs through time." USPS-T-14 at 11. There were no *a priori* expectations regarding whether, or to what extent, the new methodology would produce different results from the prior methodology. Given the reliance of the prior study on data collected in the mid to late 1980s, moreover, it is difficult to determine whether the observed differences in results solely reflect technical improvements in the estimation approach, or additionally reflect changes that have occurred in the real world. Preferring one set of results over another, however, based on the change in attributable costs for one particular class or subclass, does not constitute an objective basis to choose between competing costing methodologies.

A. While the data in your table are not incorrect, they may be considered somewhat misleading. Specifically, the row labeled Total in each

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

section of the table could easily be mistaken for Total Accrued costs, when, in fact, it is actually Total Volume Variable costs (or, strictly speaking in the PRC version, Total Attributable costs). Therefore, in the attachment to this response, your table has been replicated, with the Total row label from your table changed to Total Volume Variable, and with an additional row added to show Total Accrued costs. Including the Total Accrued row allows a more complete summarization of relevant information. Also, the row labeled "First-Class" in your table omits Cards and reflects only First-Class Letters. That row has also been relabeled to so indicate.

Note that for the section of our table "Cost Segment 7 (Delivery)", the Accrued costs from USPS-LR-K-3 shown in the USPS version are for Cost Segment 7.1 "Network Travel," plus Cost Segment 7.2 "Delivery Activities." (Please see USPS-LR-K-1 for a description of the segments and components in the USPS version.) Including the Network Travel costs does not change any of the volume variable cost rows, because (as explained in LR-K-1) all Network Travel costs are treated as non-volume variable. Nevertheless, it is the sum of those two components (7.1 and 7.2) in the USPS version that is comparable to the PRC version "Cost Segment 7 (Delivery)" figures shown in the table, which are simply the total of Cost Segment 7, minus Delivery Support.

B. As noted in the response of witness Kelley to MMA/USPS-T16-2 (Tr. 7/2756-57), the difference between the Cost Segment 6 results of the two methodologies is a function of different accrued costs, and different

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

variabilities. While the focus of the new study was on street costs, and Cost Segment 6 consists of in-office costs, the proposed new methodology more broadly treats as in-office costs certain support costs that were treated as street costs in the previous (PRC) approach. Consequently, the new methodology increases the share of total carrier costs estimated to be incurred during in-office activities, and the USPS version of Cost Segment 6 has higher accrued costs. Those higher accrued costs are only partially offset by a lower variability. Note, however, that in each of row of volume variable costs, the increase in costs moving from USPS to PRC version is uniformly between 7 and 8 percent, refuting any potential suggestion that Single Piece is being treated disparately.

<u>Category</u>	<u>(USPS-PRC)/USPS</u>
Single Piece	0.072
Workshare	0.077
First Class	0.073
All Other	0.072
Total Vol.	
Variable	0.073

C. As noted in the response of witness Kelley to MMA/USPS-T16-2 (Tr. 7/2757), the difference between the Cost Segment 7 results of the two methodologies is a function of different accrued costs, different variabilities, and different distribution factors. Specifically with respect to Delivery Activities as shown in our table, comparing the USPS version with the PRC version, both the accrued costs and the variability (i.e., the ratio of volume variable costs to accrued cost) are higher, resulting in higher overall volume variable costs in the USPS version. Moreover, a higher proportion of those



**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

volume variable costs are distributed to Single Piece FCM than in the established methodology. Consequently, of total accrued Delivery Activities costs, about 11 percent are distributed to Single Piece FCM in the USPS version, compared with about 6 percent in the PRC version. These results are the product of a large amount of interaction among the components of the new carrier methodology. For more discussion, see the response to part E, below.

D. As can be seen from our table, the accrued costs in "Segment 7 (Support)" are about half in the USPS version what they are in the PRC version. (Recall from the response to part B above that the difference in accrued cost in Cost Segment 6 was the shift in the new USPS version of certain support costs from Cost Segment 7 to Cost Segment 6. Obviously, that shift has an effect in the opposite direction on Cost Segment 7 support costs.) Moreover, the USPS variability is also lower, with resulting lower total volume variable costs in the USPS version. USPS-LR-K-1 explains that volume variable delivery support costs are distributed to mail categories in the same proportion as the costs of delivery activities. This can be confirmed from the table, as approximately 31 percent of both Delivery and Support volume variable costs are distributed to single piece FCM in the USPS version.

E. As the bottom portion of our table would suggest, of total Cost Segments 6 & 7 Accrued Costs of \$15.033 million, the USPS version treats 51 percent as volume variable, while the corresponding figure from the PRC

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

version is 48 percent. In terms of single-piece FCM, 16 percent of total accrued costs are distributed to that category in the USPS version, compared with 13 percent in the PRC version. *In the greater scheme of things, given the wholesale revision of city carrier costing which the Postal Service's new approach represents, these differences are not that large. As suggested earlier, they potentially reflect the combination of changes in costs pools (i.e., accrued costs), changes in variabilities applied to those costs pools, and changes in distribution factors.*

If one nonetheless wishes to focus on discrete factors which might play a more prominent role in development of the overall picture, *clearly the most visible candidate would be collection costs. As detailed in response to MMA/USPS-14, the estimated difference in Single Piece collection costs between the USPS and PRC version is, by itself, in excess of the \$505 million difference in total FCM Letter Cost Segments 6 & 7 costs shown in the attached table and cited in your question.*

The difference in collection costs relates essentially to differences in the estimate of costs associated with collection of mail by city carriers at customer mail boxes (as opposed to collection from blue street collection boxes). In the previous methodology, collection from customer boxes was considered part of the load time cost pool (which is a considerably smaller cost pool than the current methodology's Delivery cost pool), and the variability was much lower (a weighted average of stop types of 1.6 percent, versus a directly estimated 8.8 percent in the new study).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

To focus directly on why Prof. Bradley's current collection variability estimate is reasonable, however, it may be useful to consider the estimate of marginal carrier time associated with this variability. Prof. Bradley provided that figure in response to Question 6 of POIR No. 6, and it appears at Tr. 6/2221. The collection marginal time estimate for the recommended model is 4.00 seconds. In other words, the variability estimate suggests that as a carrier approaches a customer mailbox (perhaps with mail to be delivered in hand), opens the mailbox, and finds a piece of outgoing mail inside, it takes, on average, 4 seconds to pull that piece out of the box and place it with other outgoing mail, before returning to the activity of placing the delivered mail in the box. That estimate seems eminently plausible. Moreover, it cannot be surprising that the vast majority of such outgoing mail left by customers in their boxes is single-piece FCM. Therefore, to the extent that one result of the new methodology is to show a stronger causal relationship between carrier costs and collection mail in customer boxes, the relatively higher impact on single piece FCM is to be expected.

F. This question is potentially misleading, to the extent that it appears to suggest the existence of a discrete pool of costs, containing \$505 million, that was examined under the previous methodology and determined to be institutional, and that has now been re-examined under the new methodology and determined to be attributable to FCM letters. In fact, there is no such discrete pool of costs. Overall, as explained above, replacing 20-year old data and improving the applied analytic procedures have resulted in different

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

levels of volume variable costs, and different distributions. It would be surprising under these circumstances if there were no differences between the results of the two methodologies. The amount cited in your question is approximately 3 percent of accrued city carrier costs.

Going back to the full sets of data in LR-K-3 and LR-K-94, the inappropriateness of this type of question becomes apparent. If total Cost Segment 6 and 7 costs are calculated for each subclass and service, and compared between USPS and PRC versions, Single Piece letters and Workshare letters are not the only rows which show higher USPS than PRC total city carrier costs. The other rows with higher USPS costs include FCM Cards, Priority Mail, Regular Standard Mail, Parcel Post, Bound Printed Matter, International Mail, Registry, Certified, Insurance, and COD. In fact, what your table does is merely pick out two of the categories with increasing costs (Single Piece and Workshare Letters), show them separately, and lump everything else into one composite category. It would be equally valid to aggregate all of the increasing cost subclasses into one group, and all of the decreasing cost subclasses into another. For aggregate Cost Segment 6 & 7 costs (i.e., the bottom section of the table), the result would be an alternative like this:

Total City Carrier Cost (\$Mil)	USPS	PRC	Difference
Increasing Categories	6,318	5,732	586
Decreasing Categories	1,361	1,538	(177)
Total Volume Variable	7,678	7,269	409
Total Accrued	15,033	15,033	0

The last two rows are identical to those in the attached table. The first two

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

rows, however, show that \$586 million is the total amount by which volume variable costs rose for the subclasses for which they rose, and \$177 million is the total amount by which volume variable costs fell for the subclasses for which they fell. In total, however, only \$409 million shifted from non-volume variable to volume variable. It is therefore not possible (as the question erroneously suggests) for \$505 million of previously institutional (i.e., non-volume variable) costs to have shifted to FCM letters. Instead, some of the costs would have had to have shifted not from institutional costs, but from some of the subclasses with decreasing volume variable costs.

The primary point to be made, however, is the futility of this mode of analysis, which looks only at results, without any acknowledgement of the substantive merits of the two alternatives. The results of the proposed USPS methodology represent the best available current estimate of city carrier costs. The results of the previous methodology represent estimates based on an outdated approach and outdated data. Basically, to the extent that the proposed new methodology reflects an improvement of the previous methodology, all of the amounts cited in this entire series of questions are nothing more than reflections of the magnitude by which the previous methodology was misestimating costs.

G. This question is potentially misleading, to the extent that it appears to suggest the existence of a discrete pool of costs, containing \$97 million, that was examined under the previous methodology and determined to be attributable to all classes other than FCM letters, and that has now been re-

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF MMA**

examined under the new methodology and determined to be institutional. In fact, there is no such discrete pool of costs. Overall, as explained above, replacing 20-year old data and improving the applied analytic procedures have resulted in different levels of volume variable costs, and different distributions. It would be surprising under these circumstances if there were no differences between the results of the two methodologies. As indicated in response to part F, volume variable costs for some subclasses other than FCM Letters increased, and for some others decreased. The amount cited in your question is less than one percent of accrued city carrier costs.

## ATTACHMENT TO RESPONSE, MMA/USPS-15

Cost Category	Rate Category	USPS Methodology	PRC Methodology	USPS-PRC
Segment 6 (In-Office)	Single Piece	1,231,576	1,143,214	88,362
Segment 6 (In-Office)	Workshare	566,736	522,968	43,768
Segment 6 (In-Office)	First Class Letters	1,798,312	1,666,182	132,130
Segment 6 (In-Office)	All Other	2,071,648	1,922,576	149,072
Segment 6 (In-Office)	Total Vol. Variable	3,869,960	3,588,758	281,202
Segment 6 (In-Office)	Total Accrued	4,694,946	4,144,097	550,849
Segment 7 (Delivery)	Single Piece	1,044,816	500,222	544,594
Segment 7 (Delivery)	Workshare	552,395	483,177	69,218
Segment 7 (Delivery)	First Class Letters	1,597,211	983,399	613,812
Segment 7 (Delivery)	All Other	1,773,951	1,650,190	123,761
Segment 7 (Delivery)	Total Vol Variable	3,371,162	2,633,589	737,573
Segment 7 (Delivery)	Total Accrued	9,151,844	8,633,562	518,282
Segment 7 (Support)	Single Piece	134,689	272,342	-137,653
Segment 7 (Support)	Workshare	67,279	170,113	-102,834
Segment 7 (Support)	First Class Letters	201,968	442,455	-240,487
Segment 7 (Support)	All Other	235,152	604,645	-369,493
Segment 7 (Support)	Total Vol Variable	437,120	1,047,100	-609,980
Segment 7 (Support)	Total Accrued	1,178,968	2,255,541	-1,076,573
Segment 7 (Total)	Single Piece	1,179,505	772,564	406,941
Segment 7 (Total)	Workshare	619,674	653,290	-33,616
Segment 7 (Total)	First Class Letters	1,799,179	1,425,854	373,325
Segment 7 (Total)	All Other	2,009,103	2,254,835	-245,732
Segment 7 (Total)	Total Vol Variable	3,808,282	3,680,689	127,593
Segment 7 (Total)	Total Accrued	10,338,254	10,889,103	-550,849
Total City Carrier Delivery Costs	Single Piece	2,411,081	1,915,778	495,303
Total City Carrier Delivery Costs	Workshare	1,186,410	1,176,258	10,152
Total City Carrier Delivery Costs	First Class Letters	3,597,491	3,092,036	505,455
Total City Carrier Delivery Costs	All Other	4,080,751	4,177,411	-96,660
Total City Carrier Delivery Costs	Total Vol Variable	7,678,242	7,269,447	408,795
Total City Carrier Delivery Costs	Total Accrued	15,033,200	15,033,200	0

## EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF THE OCA

OCA/USPS-46. Please list every pilot test of a potential domestic postal retail service currently being offered by the Postal Service to one or more potential customers. This interrogatory also applies to any pilot tests made available to one or more potential customers since the record was closed in Docket No. R2001-1, on March 7, 2002, even if such pilot tests were terminated prior to the filing of this set of interrogatories. This interrogatory applies to pilot tests that are nationwide, regional, or local in scope.

- a. Provide a detailed description of the pilot test.
- b. For each pilot test, state whether or not it is provided, in whole or in part, based on a strategic alliance or contract between the Postal Service and one or more parties.
- c. For each pilot test based on a strategic alliance or contract between the Postal Service and one or more parties, list all of the strategic allies and/or parties to the contract.
- d. State the number of participants in the pilot test and describe the nature of their business.
- e. State the geographic scope of the pilot test.
- f. State the criteria for allowing certain mailers (or recipients) to participate, but not others.
- g. Have any mailers (or recipients) asked to participate but were denied the opportunity to participate? If so, state the number so denied and the grounds for the denial.
- h. What classes, and/or postal services or products, are potentially affected by the pilot test? How are they affected?
- i. On what date was this pilot test initiated?
- j. Is this pilot test still being conducted? If not, when was the pilot test discontinued? State the reasons for discontinuing the pilot test.
- k. Provide a description of the primary intended users of the potential service.
- l. Provide a complete description of the activities performed by the Postal Service in conducting the pilot test.
- m. Submit each rate or fee, if any, charged under the pilot test.
- n. Submit all of the annual, accrued direct and indirect costs, separately identified, to conduct the pilot test, including, but not limited to, development costs, start-up costs, capital costs, common and joint costs, and costs associated with each pilot test that has been terminated or discontinued.
- o. Submit all of the annual revenues, if any, earned by the Postal Service in conducting the pilot test.
- p. Submit annual volume figures for each pilot test, if any, by billing determinant.
- q. Submit annual net income (loss) figures, if any, for the pilot test since the pilot test was first initiated.



**EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF THE OCA**

- r. Submit total revenues for the pilot test, if any, for the entire period since the pilot test was first initiated.
- s. Submit total costs (both start-up and operating) for the entire period since the pilot test was first initiated.
- t. Submit total net income (loss) figures for the pilot test since the pilot test was first initiated.
- u. Give a precise citation in the current filing for every figure submitted in parts n. – t.
- v. For calculations and figures not already included in the current rate case, provide all worksheets (whether hardcopy or electronic), computations, and underlying source materials.

**RESPONSE:**

This expanded response is filed pursuant to Presiding Officer's Ruling No. R2005-1/58 (July 22, 2001). As the Postal Service understands that Ruling, it is to review the information previously provided in response to OCA/USPS-46, and provide additional information as necessary.

The Postal Service has already provided additional information in its June 28 response to OCA/USPS-145. That response provided detailed information on the Micropayments program. One could also perhaps suggest that the Postal Service's activities relating to Repositional Notes in the period before the filing of the request for a recommended decision for the Commission on that service might fall within the scope of this question. Since those activities were already discussed and examined in the context of that litigation, however, the Postal Service perceives no need to address them further in this context. Currently, there appear to be no pilot tests that might have implications for potential domestic retail postal services.

## EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF THE OCA

OCA/USPS-47. Please list every pilot test of a potential domestic retail service, considered not of a type to be included in the Domestic Mail Classification Schedule, currently being offered by the Postal Service to one or more potential customers. This interrogatory also applies to any pilot tests made available to one or more potential customers since the record was closed in Docket No. R2001-1, on March 7, 2002, even if such pilot tests were terminated prior to the filing of this set of interrogatories. This interrogatory applies to pilot tests that are nationwide, regional, or local in scope.

- a. Provide a detailed description of the pilot test.
- b. For each pilot test, state whether or not it is provided, in whole or in part, based on a strategic alliance or contract between the Postal Service and one or more parties.
- c. For each pilot test based on a strategic alliance or contract between the Postal Service and one or more parties, list all of the strategic allies and/or parties to the contract.
- d. State the number of participants in the pilot test and describe the nature of their business.
- e. State the geographic scope of the pilot test.
- f. State the criteria for allowing certain companies, organizations, agencies, or individuals to participate, but not others.
- g. Have any companies, organizations, agencies, or individuals asked to participate but were denied the opportunity to participate? If so, state the number so denied and the grounds for the denial.
- h. What classes, and/or postal services or products, are potentially affected by the pilot test? How are they affected?
- i. Is the pilot test activity considered a substitute for other mail products or services? Please explain.
- j. On what date was this pilot test initiated?
- k. Is this pilot test still being conducted? If not, when was the pilot test discontinued? State the reasons for discontinuing the pilot test.
- l. Provide a description of the primary intended users of the potential service.
- m. Provide a complete description of the activities performed by the Postal Service in conducting the pilot test.
- n. Submit each rate or fee, if any, charged under the pilot test.
- o. Submit all of the annual, accrued direct and indirect costs, separately identified, to conduct the pilot test, including, but not limited to, development costs, start-up costs, capital costs, common and joint costs, and costs associated with each pilot test that has been terminated or discontinued.
- p. Submit all of the annual revenues, if any, earned by the Postal Service in conducting the pilot test.
- q. Submit annual volume figures for each pilot test, if any, by billing

## EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF THE OCA

- determinant.
- r. Submit annual net income (loss) figures, if any, for the pilot test since the pilot test was first initiated.
  - s. Submit total revenues for the pilot test, if any, for the entire period since the pilot test was first initiated.
  - t. Submit total costs (both start-up and operating) for the entire period since the pilot test was first initiated.
  - u. Submit total net income (loss) figures for the pilot test since the pilot test was first initiated.
  - v. Give a precise citation in the current filing for every figure submitted in parts o. – u.
  - w. For calculations and figures not already included in the current rate case, provide all worksheets (whether hardcopy or electronic), computations, and underlying source materials.
  - x. Give a precise, detailed written description of how costs that are joint or common to (1) DMCS services and (2) services that are not classified in the DMCS have been allocated to the (1) DMCS group and (2) the non-DMCS group. Give all underlying accounting records, other records, worksheets, calculations, and computations that show the allocation process, including citations to the current rate case filing. If the Postal Service does not make such an allocation, explain why not.

### RESPONSE:

This response is filed pursuant to Presiding Officer's Ruling No. R2005-1/58 (July 22, 2001). As the Postal Service understands that Ruling, it is to provide additional information as necessary.

As noted in the Postal Service's objection, because the Postal Service can proceed with a nonpostal service without preparing and litigating a request for a recommended decision from the Commission, the period in which such a service is in pilot test phase or operations test phase is likely to be short. Once such a service begins to generate revenue, it would be handled like all other nonpostal services. Pertinent information about all such nonpostal services has now been provided (primarily in response to OCA/USPS-53). Currently, there appear to be no pilot tests or operations tests that might have implications for potential retail

**EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF THE OCA**

nonpostal services.

**EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF THE OCA**

OCA/USPS-48. Please list every operations test of a potential domestic postal retail service currently being offered by the Postal Service to one or more potential customers. This interrogatory also applies to any operations tests made available to one or more potential customers since the record was closed in Docket No. R2001-1, on March 7, 2002, even if such operations tests were terminated prior to the filing of this set of interrogatories. This interrogatory applies to operations tests that are nationwide, regional, or local in scope.

- a. Provide a detailed description of the operations test.
- b. For each operations test, state whether or not it is provided, in whole or in part, based on a strategic alliance or contract between the Postal Service and one or more parties.
- c. For each operations test based on a strategic alliance or contract between the Postal Service and one or more parties, list all of the strategic allies and/or parties to the contract.
- d. State the number of participants in the operations test and describe the nature of their business.
- e. State the geographic scope of the operations test.
- f. State the criteria for allowing certain mailers (or recipients) to participate, but not others.
- g. Have any mailers (or recipients) asked to participate but were denied the opportunity to participate? If so, state the number so denied and the grounds for the denial.
- h. What classes, and/or postal services or products, are potentially affected by the operations test? How are they affected?
- i. On what date was this operations test initiated?
- j. Is this operations test still being conducted? If not, when was the operations test discontinued? State the reasons for discontinuing the operations test.
- k. Provide a description of the primary intended users of the potential service.
- l. Provide a complete description of the activities performed by the Postal Service in conducting the operations test.
- m. Submit each rate or fee, if any, charged under the operations test.
- n. Submit all of the annual, accrued direct and indirect costs, separately identified, to conduct the operations test, including, but not limited to, development costs, start-up costs, capital costs, common and joint costs, and costs associated with each operations test that has been terminated or discontinued.
- o. Submit all of the annual revenues, if any, earned by the Postal Service in conducting the operations test.
- p. Submit annual volume figures for each operations test, if any, by billing determinant.
- q. Submit net income (loss) figures, if any, for the operations test since the operations test was first initiated.

**EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF THE OCA**

- r. Submit total revenues for the operations test, if any, for the entire period since the operations test was first initiated.
- s. Submit total costs (both start-up and operating) for the entire period since the operations test was first initiated.
- t. Submit total net income (loss) figures for operations test since the operations test was first initiated.
- u. Give a precise citation in the current filing for every figure submitted in parts n. – t.
- v. For calculations and figures not already included in the current rate case, provide all worksheets (whether hardcopy or electronic), computations, and underlying source materials.

**RESPONSE:**

This response is filed pursuant to Presiding Officer's Ruling No. R2005-1/58 (July 22, 2001). As the Postal Service understands that Ruling, it is to provide additional information as necessary.

Responding to this question is complicated by the ambiguous nature of the concept of operations tests. There are a number of operations tests associated with on-going operations, and limited to a particular facility or a particular mailer. Such tests might include requests to evaluate barcode readability for a particular mailer, or the machinability of their mail pieces. These kinds of tests are quite decentralized, and information concerning them is generally confined to particular mailers or facilities. Perhaps more importantly, they relate to existing postal services, rather than potential new postal services. Currently, there appear to be no operations tests that might have implications for potential domestic retail postal services.

## EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF THE OCA

OCA/USPS-49. Please list every operations test of a potential domestic retail service, considered not of a type to be included in the Domestic Mail Classification Schedule, currently being offered by the Postal Service to one or more potential customers. This interrogatory also applies to any operations tests made available to one or more potential customers since the record was closed in Docket No. R2001-1, on March 7, 2002, even if such pilot tests were terminated prior to the filing of this set of interrogatories. This interrogatory applies to operations tests that are nationwide, regional, or local in scope.

- a. Provide a detailed description of the operations test.
- b. For each operations test, state whether or not it is provided, in whole or in part, based on a strategic alliance or contract between the Postal Service and one or more parties.
- c. For each operations test based on a strategic alliance or contract between the Postal Service and one or more parties, list all of the strategic allies and/or parties to the contract.
- d. State the number of participants in the operations test and describe the nature of their business.
- e. State the geographic scope of the operations test.
- f. State the criteria for allowing certain companies, organizations, agencies, or individuals to participate, but not others.
- g. Have any companies, organizations, agencies, or individuals asked to participate but were denied the opportunity to participate? If so, state the number so denied and the grounds for the denial.
- h. What classes, and/or postal services or products, are potentially affected by the operations test? How are they affected?
- i. Is the operations test activity considered a substitute for other mail products or services? Please explain.
- j. On what date was this operations test initiated?
- k. Is this operations test still being conducted? If not, when was the operations test discontinued? State the reasons for discontinuing the operations test.
- l. Provide a description of the primary intended users of the potential service.
- m. Provide a complete description of the activities performed by the Postal Service in conducting the operations test.
- n. Submit each rate or fee, if any, charged under the operations test.
- o. Submit all of the annual, accrued direct and indirect costs, separately identified, to conduct the operations test, including, but not limited to, development costs, start-up costs, capital costs, common and joint costs, and costs associated with each operations test that has been terminated or discontinued.
- p. Submit all of the annual revenues, if any, earned by the Postal Service in conducting the operations test.

**EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF THE OCA**

- q. Submit annual volume figures for each operations test, if any, by billing determinant.
- r. Submit annual net income (loss) figures, if any, for the operations test since the operations test was first initiated.
- s. Submit total revenues for the operations test, if any, for the *entire period since the operations test was first initiated*.
- t. Submit total costs (both start-up and operating) for the entire period since the operations test was first initiated.
- u. Submit total net income (loss) figures for the operations test since the operations test was first initiated.
- v. Give a precise citation in the current filing for every figure submitted in parts o. – u.
- w. For calculations and figures not already included in the current rate case, provide all worksheets (whether hardcopy or electronic), computations, and underlying source materials.
- x. Give a precise, detailed written description of how costs that are joint or common to (1) DMCS services and (2) services that are not classified in the DMCS have been allocated to the (1) DMCS group and (2) the non-DMCS group. Give all underlying accounting records, other records, worksheets, calculations, and computations that show the allocation process. If the Postal Service does not make such an allocation, explain why not.

**RESPONSE:**

This response is filed pursuant to Presiding Officer's Ruling No. R2005-1/58 (July 22, 2001). As the Postal Service understands that Ruling, it is to provide additional information as necessary.

As noted in the Postal Service's objection, because the Postal Service can proceed with a nonpostal service without preparing and litigating a request for a recommended decision from the Commission, the period in which such a service is in pilot test phase or operations test phase is likely to be short. Once such a service begins to generate revenue, it would be handled like all other nonpostal services. Pertinent information about all such nonpostal services has now been provided (primarily in response to OCA/USPS-53). Currently, there appear to be



**EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF THE OCA**

no pilot tests or operations tests that might have implications for potential retail nonpostal services.

## EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF THE OCA

OCA/USPS-54. For nonpostal services with no associated window clerk activity (unnumbered paragraph 4), provide all calculations, worksheets, and primary sources for the total expense figure of \$7 million in FY04.

- a. Include all of the accounting expense data referred to in unnumbered paragraph 4.
- b. Display data separately for each discrete "nonpostal" service and show how they sum to the \$7 million total.
- c. Separately identify development costs for each "nonpostal" service and in total.
- d. Separately identify start-up costs for each "nonpostal" service and in total.
- e. Separately identify capital costs for each "nonpostal" service and in total.
- f. Separately identify common and joint costs for each "nonpostal" service and in total. Include all calculations, worksheets, and primary sources for the allocation of joint and common costs between DMCS and "nonpostal" services.
- g. Separately identify costs associated with each "nonpostal" service that has been terminated or discontinued and in total.
- h. For nonpostal services with no associated window clerk activity, provide all calculations, worksheets, and primary sources for the total revenue figure of \$44 million in FY04.
- i. Provide all comparable data requested in this interrogatory, including parts a. – i., for Fiscal Years 2001, 2002, 2003, and the most recent quarters of 2005.
- j. Provide test year estimates, i.e., FY2006, by discrete "nonpostal" service and in total, for expenses and revenues. Explicitly state all assumptions made in developing these estimates. Provide all calculations, worksheets, and primary sources used to develop the estimates.

### RESPONSE:

This response is filed pursuant to Presiding Officer's Ruling No. R2005-1/58 (July 22, 2001). As the Postal Service understands that Ruling, it is to provide additional information regarding five of the nonpostal services with no associated window clerk activity.

Ruling No. 58 refers to a breakout of FY04 expenses into direct and indirect costs. The Postal Service does not explicitly classify expenses for these programs in such fashion, but somewhat similar categories of costs are

## EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES OF THE OCA

presented below.

The first category is Operational (Oper). This includes expenses most directly associated with providing the product. As such, some of these costs may be volume variable.

The second category is Product Development (Prod Dev). These include expenses typically incurred during development of the product capability. None of the five services in question incurred any costs in this category during FY04.

The third category is Program Management/Other (ProgMang/Other). These include expenses such as program management and other expenses not identified within either of the first two categories. Some of these costs may be volume variable.

	<u>Oper</u>	<u>Prod Dev</u>	<u>ProgMang/Other</u>
Electronic Payment	0	0	15
Electronic Postmark	0	0	301
Mailing Online	810	0	96
NetPost Certified Mail	0	0	0
NetPost Cardstore	0	0	11

With respect to Electronic Payment, the marketing and operational responsibilities for the program were assumed by the alliance partner in 2002, and the program was terminated in April of 2004. With respect to EPM, the operation of EPM is performed by Authentidate, and therefore the Postal Service incurs no operational costs. With respect to Mailing Online, some of its

**EXPANDED RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORIES OF THE OCA**

operational costs could relate also to NetPost Certified Mail and NetPost

Cardstore, which explains why no operational costs are shown for those two services. Additionally, NetPost Certified Mail was terminated in April, 2004.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO OCA INTERROGATORY**

**Revised; September 13, 2005**

**OCA/USPS-106.** Please refer to the response to OCA/USPS-18(c).

- a. *From a consumer perspective, please confirm that Priority Mail and First-Class Mail have the same service standard, i.e., overnight delivery, 2<sup>nd</sup> day delivery, or 3<sup>rd</sup> day delivery. If you do not confirm, please explain.*
- b. *Please confirm that the service standard for Priority Mail and First-Class Mail is the same irrespective of the shape of the mailpiece entered by the postal customer; that is, for the same 3-digit origin-destination ZIP Code pair, a letter-shaped mailpiece and a flat-shaped mailpiece would have the same service standard. If you do not confirm, please explain.*
- c. *Please confirm that the 3-digit origin-destination ZIP Code pairs used for overnight Priority Mail are the same for overnight First-Class Mail. If you do not confirm, please explain, and provide the percentage of 3-digit origin-destination ZIP Code pairs for overnight First-Class Mail that coincide with overnight Priority Mail.*
- d. *Please confirm that the 3-digit origin-destination ZIP Code pairs used for 2<sup>nd</sup> day Priority Mail are the same for 2<sup>nd</sup> day First-Class Mail. If you do not confirm, please explain, and provide the percentage of 3-digit origin-destination ZIP Code pairs for 2<sup>nd</sup> day First-Class Mail that coincide with 2<sup>nd</sup> Priority Mail.*
- e. *Please confirm that the 3-digit origin-destination ZIP Code pairs used for 3<sup>rd</sup> day Priority Mail are the same for 3<sup>rd</sup> day First-Class Mail. If you do not confirm, please explain, and provide the percentage of 3-digit origin-destination ZIP Code pairs for 3<sup>rd</sup> day First-Class Mail that coincide with 3<sup>rd</sup> day Priority Mail.*

**RESPONSE:**

- a. *Not confirmed. While both First-Class Mail and Priority Mail have overnight, 2-day and 3-day service standards, Priority Mail has a larger number of origin-destination pairs with a 2-day service standard than First-Class Mail.*
- b. *Confirmed.*

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO OCA INTERROGATORY**

**Revised; September 13, 2005**

**RESPONSE to OCA/USPS-106 (continued):**

- c. Not confirmed. The pairs involved are not exactly the same. Out of the 850,950 total Service Standard O/D pairs for FCM, 8,794 are currently Overnight. While Priority Mail has slightly more Overnight pairs (8,852), there are only 8,686 pairs that coincide in both mail classes, which calculates to a 98.77% match rate. The majority of differences relate to Military ZIP Codes which are, in some cases, processed in different geographical locations for Priority Mail than for FCM.
  
- d. Not confirmed. The pairs involved are not exactly the same. Out of the 850,950 total Service Standard O/D pairs for FCM, 184,930 are currently 2-Day. Priority Mail has 783,356 pairs that are 2-Day, because it is primarily a 2-Day product. However, there are only 184,776 pairs that coincide in 2-Day for both mail classes, which calculates to a 99.92% match rate. The majority of differences relate to Military ZIP Codes which are, in some cases, processed in different geographical locations for Priority Mail than for FCM.
  
- e. Not confirmed. The pairs involved are not exactly the same. Out of the 850,950 total Service Standards O/D pairs for FCM, 657,226 are currently 3-Day. Priority Mail only has 58,742 pairs that are 3-Day, because it is

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO OCA INTERROGATORY**

**Revised; September 13, 2005**

**RESPONSE to OCA/USPS-106 (continued):**

primarily a 2-Day product. There are only 58,742 pairs that coincide in 3-Day for both mail Classes, which calculates to an 8.94% match rate.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO OCA INTERROGATORY**

**Revised; September 9, 2005**

**OCA/USPS-112**

Please refer to the Postal Service's Five-Year Strategic Plan for Fiscal Years 2004-2008, and Exhibit 2-2., "First-Class Mail Service Standard Improvement," at page 27.

- a. Please refer to the row "PQ 2 -00," column "3-Day Service." Please confirm that the entry 683,218 should equal 683,153 (849,043 - 8,744 - 157,081). If you do not confirm, please explain. If you do confirm, please explain the cause of the discrepancy between Exhibit 2-2 and your answer.
- b. Refer to the row "Change +/-," column "Total Pairs." Please show the distribution of the 1,844 3-digit ZIP Code pairs to the 1-day service, 2-day service, and 3-day service columns.
- c. For the period PQ 2 2000 to PQ 2 2003, please provide the number of 3-digit ZIP Code pairs that:
  - i. upgraded from 3-day service (a) to 2-day service and (b) to 1-day service;
  - ii. (a) upgraded from 2-day service to 1-day service and (b) downgraded to 3-day service; and
  - iii. downgraded from 1-day service (a) to 2-day service and (b) to 3-day service.
- d. For the period PQ 2 2000 to PQ 2 2003, please provide the percentage of First-Class Mail volume associated with the 3-digit ZIP Code pairs that:
  - i. upgraded from 3-day service (a) to 2-day service and (b) to 1-day service;
  - ii. (a) upgraded from 2-day service to 1-day service and (b) downgraded to 3-day service; and
  - iii. downgraded from 1-day service (a) to 2-day service and (b) to 3-day service.

**RESPONSE:**

- a. Not confirmed. When the data were provided for inclusion in the Strategic Plan, the 3-Day total of 683,281 had the final two digits transposed to incorrectly read "683,218". That typographical error accounts for the discrepancy in Exhibit 2-2 of the Strategic Plan.

- b. N/A



**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO OCA INTERROGATORY**

Revised; September 9, 2005

**RESPONSE to OCA/USPS-112 (continued):**

- c. i. upgraded from 3-day to: 2-day: 49,262; upgraded from 2-day to 1-day: 16.
- ii. upgraded from 2-day to 1-day: 35; downgraded from 2-day to 3- day:  
26,889.
- iii. downgraded from 1-day to 2-day: 33; downgraded from 1-day to 3- day:  
3.
- d. i-iii. See the table below.

Q2 FY 2000 Service Standard	Q2 FY 2003 Service Standard	% of Q2 FY 2000 First-Class Volume Under Indicated Standard	% of Q2 FY 2003 First-Class Volume Under Indicated Standard
1	2	0.00606%	0.01092%
1	3	0.00027%	0.00013%
2	1	0.02337%	0.02279%
2	3	4.22006%	3.84394%
3	1	0.00001%	0.00000%
3	2	2.11595%	2.18702%

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OCA**

OCA/USPS-147. Please refer to the "Affiliates and Alliances" paragraph of Attachment Two to OCA/USPS-53.

- a. Please furnish copies of the 75 linking agreements referred to in the interrogatory. (One of the major purposes for this request is to gain a better understanding of the activities performed by the parties to the agreement, particularly the Postal Service, so as to see whether expenses incurred by the Postal Service in performing its activities have been fully and appropriately accounted for). For each, please indicate whether the purpose of the agreement is: (1) to complement the Postal Service's core product offering; (2) to generate mail; and/or (3) to provide value to our customers.

**RESPONSE:**

Pursuant to Presiding Officer's Ruling No. R2005-1/70 (August 11, 2005), the Postal Service hereby provides the following information to supplement the information already provided in response to OCA/USPS-53 with regard to "Affiliates and Alliances."

**Fee Based Affiliate Linking Agreements**

**Description:**

Fee based affiliate linking agreements are links from USPS.com to third-party web sites. In such agreements, the Postal Service links to a merchant's site through a banner or text hyperlink on USPS.com, and the merchant pays the Postal Service remuneration based on a variety of negotiated payment mechanisms. These typically include payments based on the traffic sent to the merchant site, or a royalty percentage based on transactions made on the merchant site as a result of the USPS.com link(s). In all instances, the nature of the service provided by the Postal Service is the facilitation of access to another website by persons using the Postal Service's website.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO OCA INTERROGATORY**

**Revised; September 13, 2005**

**RESPONSE to OCA/USPS-106 (continued):**

primarily a 2-Day product. There are only 58,742 pairs that coincide in 3-Day for both mail Classes, which calculates to an 8.94% match rate.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO OCA INTERROGATORY**

Revised; September 9, 2005

**OCA/USPS-112**

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  - i. (a) upgraded from 2-day service to 1-day service and (b) downgraded to 3-day service; and
  - ii. downgraded from 1-day service (a) to 2-day service and (b) to 3-day service.
- d. For the period PQ 2 2000 to PQ 2 2003, please provide the percentage of First-Class Mail volume associated with the 3-digit ZIP Code pairs that:
  - i. upgraded from 3-day service (a) to 2-day service and (b) to 1-day service;
  - ii. (a) upgraded from 2-day service to 1-day service and (b) downgraded to 3-day service; and
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**RESPONSE:**

- a. Not confirmed. When the data were provided for inclusion in the Strategic Plan, the 3-Day total of 683,281 had the final two digits transposed to incorrectly read "683,218". That typographical error accounts for the discrepancy in Exhibit 2-2 of the Strategic Plan.
- b. N/A

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO OCA INTERROGATORY**

Revised; September 9, 2005

**RESPONSE to OCA/USPS-112 (continued):**

- c. i. upgraded from 3-day to: 2-day: 49,262; upgraded from 2-day to 1-day: 16.
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**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OCA**

OCA/USPS-147. Please refer to the "Affiliates and Alliances" paragraph of Attachment Two to OCA/USPS-53.

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**RESPONSE:**

Pursuant to Presiding Officer's Ruling No. R2005-1/70 (August 11, 2005), the Postal Service hereby provides the following information to supplement the information already provided in response to OCA/USPS-53 with regard to "Affiliates and Alliances."

**Fee Based Affiliate Linking Agreements**

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Fee based affiliate linking agreements are links from USPS.com to third-party web sites. In such agreements, the Postal Service links to a merchant's site through a banner or text hyperlink on USPS.com, and the merchant pays the Postal Service remuneration based on a variety of negotiated payment mechanisms. These typically include payments based on the traffic sent to the merchant site, or a royalty percentage based on transactions made on the merchant site as a result of the USPS.com link(s). In all instances, the nature of the service provided by the Postal Service is the facilitation of access to another website by persons using the Postal Service's website.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OCA**

**Financial Results:**

Currently, the Postal Service has five fee-based affiliate linking agreements. Three of those, however, are too recent to have generated any revenue in the base year. The aggregate revenue reported in the base year for affiliates was \$42(000). In terms of base year expenses, *there are no direct expenses reported for any particular agreement.* Overall, however, \$55(000) in Information Technology (IT) expenses were reported for affiliates and alliances, relating to the operation of USPS.com. These expenses, however, would relate to no-fee linking agreements as well as to fee-based agreements. As previously explained in response to OCA/USPS-53, no attempt is made to generate test year figures by product for nonpostal services, and none are available.

**No-Fee Affiliate Linking Agreements**

*Description:*

No-fee affiliate linking agreements are linking agreements either to or from USPS.com, but no payment is provided by either party to the agreement. The Postal Service does not pay third parties to generate traffic to USPS.com. Banners or text hyperlinks are used to allow customers to link to another site. Informal categories of no-fee affiliate linking agreements (and the number of agreements in each category) include direct mail vendors (16), mail and jobs coalition (1), Mailing

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OCA**

Industry Task Force research providers (3), mailing list providers (3), Merlin training providers (1), mail preparation Total Quality Management Qualified companies (15), parcel return service vendors (2), postage solutions providers (6), postal qualified wholesalers (7), repositionable note providers (5), residential delivery indicator vendors (4), and shipping consolidators (11). In all instances, the nature of the service provided by the Postal Service is the facilitation of access to another website by persons using the Postal Service's website.

**Financial Results:**

Given the structure of no-fee affiliate linking agreements, there are no direct financial results to report. Any costs or benefits would be indirect in nature. Please note, however, the information in the above discussion of fee-based agreements regarding IT expenses.



RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/USPS-195.** USPS witness Robinson filed errata to Exhibit 27B, "Summary of Estimated Test Year After Rates Finances, Revenue and Volume Variable Cost," on June 10, 2005. However, USPS witness Waterbury did not update her Appendix I, "R2005-1 PRC-version amended - FY 2006AR After Workyear Mix Cost Segments and Components," dated 3/31/2006, 5:34 PM, to reflect the errata USPS witness Robinson filed. Please provide an updated version of USPS witness Waterbury's Appendix I, "R2005-1 PRC-version for FY 2006AR After Workyear Mix Cost Segments and Components," that incorporates the corrections identified in USPS witness Robinson's updated Exhibit 27B.

**RESPONSE:**

See the attached pages for amended "Cost Segments and Components - D Report" for FY2005, FY2006BR, and FY2006AR for the USPS version and the PRC version. The amended "D Reports" are updated for the cost changes as identified in USPS witness Robinson's errata filed on June 10, 2005. Please note that USPS witness Robinson's errata to Exhibit USPS-27A and Exhibit USPS-27B filed on June 10, 2005 refer to the USPS version only. In addition, USPS witness Robinson's errata to Exhibit USPS-27A, "Summary of Estimated Test Year Before Rates Finances, Revenue and Volume Variable Cost," and errata to Exhibit USPS-27B, "Summary of Estimated Test Year After Rates Finances, Revenue and Volume Variable Cost," assume the corrections made to interest expense are entirely non-volume variable. However, the roll forward model uses the same methodology to distribute interest expense as identified by USPS witness Meehan for the base year.

**R2005-1 USPS\_version - FY 2005 After Workyear Mix - AMENDED**  
**Cost Segments and Components (\$ in '000s)**  
**Report**

Line No.	Class, Subclass, or Special Service	Class	Total Volume Variable	Postal Penalty	Final Adjustments	Adjusted Volume Variable Before Contingency	Contingency	Adjusted Volume Variable Including Contingency
	Column Number		(1)	(2)	(3)	(4)	(5)	(6)
	Component						0.0%	
1	<b>First-Class Mail</b>							
2	Single Piece Letters	101	11,345,022		0	11,345,022	0	11,345,022
3	Presort Letters	102	4,761,175		(35,017)	4,726,158	0	4,726,158
4	Total Letters	103	16,106,196		(35,017)	16,071,180	0	16,071,180
5	Single Piece Cards	104	529,356		0	529,356	0	529,356
6	Presort Cards	105	186,279		(2,175)	186,104	0	186,104
7	Total Cards	108	717,635		(2,175)	715,460	0	715,460
8	<b>Total First-Class</b>	109	16,823,831		(37,192)	16,786,640	0	16,786,640
9	<b>Priority Mail</b>	110	2,886,802		0	2,886,802	0	2,886,802
10	<b>Express Mail</b>	111	461,086		0	461,086	0	461,086
11	<b>Mailgrams</b>	112	303		0	303	0	303
12	<b>Periodicals</b>							
13	Within County	113	65,524		0	65,524	0	65,524
14	Outside County	117	2,214,922		0	2,214,922	0	2,214,922
15	<b>Total Periodicals</b>	123	2,280,447		0	2,280,447	0	2,280,447
16	<b>Standard Mail</b>							
17	Enhanced Can Rte	126	2,439,365		0	2,439,365	0	2,439,365
18	Regular	127	8,849,222		(139,564)	8,709,658	0	8,709,658
19	<b>Total Standard Mail</b>	135	11,288,587		(139,564)	11,149,023	0	11,149,023
20	<b>Package Services</b>							
21	Parcel Post	136	998,154		8,233	1,006,387	0	1,006,387
22	Bound Printed Matter	137	472,864		0	472,864	0	472,864
23	Media Mail	139	383,929		0	383,929	0	383,929
24	<b>Total Package Services</b>	141	1,854,947		8,233	1,863,180	0	1,863,180
25	<b>U.S. Postal Service</b>	142	476,556	(476,556)	0	0	0	0
26	<b>Free Mail</b>	147	41,532		0	41,532	0	41,532
27	<b>International Mail</b>	161	1,413,465		0	1,413,465	0	1,413,465
28	<b>Total All Mail</b>	162	37,527,556	(476,556)	(168,523)	36,882,477	0	36,882,477
29	<b>Special Services</b>							
30	Registry	163	74,039		0	74,039	0	74,039
31	Certified	164	415,993		0	415,993	0	415,993
32	Insurance	165	80,096		0	80,096	0	80,096
33	Cod	166	7,608		0	7,608	0	7,608
34	Money Orders	168	128,666		0	128,666	0	128,666
35	Stamped Cards	159	1,216		0	1,216	0	1,216
36	Stamped Envelopes	169	12,400		0	12,400	0	12,400
37	Special Handling	170	2,509		0	2,509	0	2,509
38	Post Office Box	171	615,943		0	615,943	0	615,943
39	Other	172	238,039		(12,734)	225,305	0	225,305
40	<b>Total Special Services</b>	173	1,576,509		(12,734)	1,563,775	0	1,563,775
41	<b>Total Volume Variable</b>	198	39,104,065	(476,556)	(181,257)	38,446,252	0	38,446,252
42	<b>Other Costs</b>	199	29,544,872	476,556	0	30,021,428	0	30,021,428
43	<b>Total Costs</b>	200	68,648,937		(181,257)	68,467,680	0	68,467,680

R2005-1 USPS Version - FY 2006BR After Workyear Mix - AMENDED  
Cost Segments and Components (\$ in '000s)  
Report

Line No.	Class, Subclass, or Special Service	Column Number	Component	1	2	3	4	5	6
1	First-Class Mail			11,102,942		0	11,102,942	0	11,102,942
2	Single Piece Letters			4,787,241		(67,035)	4,720,206	0	4,720,206
3	Presort Letters			15,890,183		(67,035)	15,823,148	0	15,823,148
4	Single Piece Cards			535,851		0	535,851	0	535,851
5	Single Piece Cards			196,436		(4,608)	191,827	0	191,827
6	Presort Cards			732,286		(4,608)	727,678	0	727,678
7	Total Cards			16,622,469		(71,643)	16,550,826	0	16,550,826
8	Total First-Class			2,922,200		23,959	2,946,158	0	2,946,158
9	Priority Mail			460,505		0	460,505	0	460,505
10	Express Mail			262		0	262	0	262
11	Milegrams			65,175		0	65,175	0	65,175
12	Periodicals			2,053,447		0	2,053,447	0	2,053,447
13	Within County			2,118,622		0	2,118,622	0	2,118,622
14	Outside County			2,560,004		0	2,560,004	0	2,560,004
15	Total Periodicals			9,434,556		(249,309)	9,185,247	0	9,185,247
16	Standard Mail			11,994,560		(249,309)	11,745,251	0	11,745,251
17	Enhanced Car Rie			987,116		65,883	1,052,999	0	1,052,999
18	Regular			505,571		0	505,571	0	505,571
19	Bound Printed Matter			409,233		0	409,233	0	409,233
20	Parcel Post			1,901,920		65,883	1,967,803	0	1,967,803
21	Media Mail			488,327		0	488,327	0	488,327
22	Total Package Services			43,732		0	43,732	0	43,732
23	Free Mail			1,440,236		0	1,440,236	0	1,440,236
24	International Mail			37,992,834		(231,111)	37,273,396	0	37,273,396
25	Total All Mail			39,631,674		(315,150)	39,316,524	0	39,316,524
26	Total Special Services			1,638,840		(84,039)	1,554,801	0	1,554,801
27	Other			259,978		0	259,978	0	259,978
28	Post Office Box			643,647		0	643,647	0	643,647
29	Special Handling			12,776		0	12,776	0	12,776
30	Stamped Envelopes			1,340		0	1,340	0	1,340
31	Stamped Cards			130,434		0	130,434	0	130,434
32	Money Orders			7,718		0	7,718	0	7,718
33	Cod			69,274		0	69,274	0	69,274
34	Insurance			441,721		0	441,721	0	441,721
35	Certified			69,427		0	69,427	0	69,427
36	Registry			488,327		0	488,327	0	488,327
37	Special Services			33,897,396		0	33,897,396	0	33,897,396
38	Total Volume Variable			73,529,070		(315,150)	73,213,920	0	73,213,920
39	Other Costs			39,828,197		0	39,828,197	0	39,828,197
40	Total Costs			73,213,920		0	73,213,920	0	73,213,920

R2005-1 USPS\_version - FY 2006AR After Workyear Mix - AMENDED  
 Cost Segments and Components (\$ in '000s)  
 Report

Line No.	Class, Subclass, or Special Service	Class	Total Volume Variable	Postal Penalty	Final Adjustments	Adjusted Volume Variable Before Contingency	Contingency	Adjusted Volume Variable Including Contingency
	Column Number Component		(1)	(2)	(3)	(4)	(5) 0.0%	(6)
1	<b>First-Class Mail</b>							
2	Single Piece Letters	101	10,985,138		0	10,985,138	0	10,985,138
3	Presort Letters	102	4,749,662		(113,494)	4,636,168	0	4,636,168
4	Total Letters	103	15,734,800		(113,494)	15,621,305	0	15,621,305
5	Single Piece Cards	104	529,437		0	529,437	0	529,437
6	Presort Cards	105	193,668		(4,600)	189,068	0	189,068
7	Total Cards	108	723,105		(4,600)	718,505	0	718,505
8	<b>Total First-Class</b>	109	16,457,905		(118,094)	16,339,811	0	16,339,811
9	<b>Priority Mail</b>	110	2,781,185		23,013	2,804,198	0	2,804,198
10	<b>Express Mail</b>	111	439,794		0	439,794	0	439,794
11	<b>Mailgrams</b>	112	263		0	263	0	263
12	<b>Periodicals</b>							
13	Within County	113	66,175		0	66,175	0	66,175
14	Outside County	117	2,046,364		0	2,046,364	0	2,046,364
15	<b>Total Periodicals</b>	123	2,112,539		0	2,112,539	0	2,112,539
16	<b>Standard Mail</b>							
17	Enhanced Carr Rte	126	2,481,441		0	2,481,441	0	2,481,441
18	Regular	127	9,372,832		(253,734)	9,119,098	0	9,119,098
19	<b>Total Standard Mail</b>	135	11,854,273		(253,734)	11,600,538	0	11,600,538
20	<b>Package Services</b>							
21	Parcel Post	136	939,615		78,301	1,017,916	0	1,017,916
22	Bound Printed Matter	137	513,071		0	513,071	0	513,071
23	Media Mail	139	407,495		0	407,495	0	407,495
24	<b>Total Package Services</b>	141	1,860,182		78,301	1,938,482	0	1,938,482
25	<b>U.S. Postal Service</b>	142	489,764	(489,764)	0	0	0	0
26	<b>Free Mail</b>	147	43,829		0	43,829	0	43,829
27	<b>International Mail</b>	161	1,416,017		0	1,416,017	0	1,416,017
28	<b>Total All Mail</b>	162	37,455,750	(489,764)	(270,515)	36,695,471	0	36,695,471
29	<b>Special Services</b>							
30	Registry	163	65,313		0	65,313	0	65,313
31	Certified	164	437,028		0	437,028	0	437,028
32	Insurance	165	68,315		0	68,315	0	68,315
33	Cod	166	7,637		0	7,637	0	7,637
34	Money Orders	168	129,506		0	129,506	0	129,506
35	Stamped Cards	159	1,327		0	1,327	0	1,327
36	Stamped Envelopes	169	12,789		0	12,789	0	12,789
37	Special Handling	170	2,507		0	2,507	0	2,507
38	Post Office Box	171	639,966		0	639,966	0	639,966
39	Other	172	251,436		(75,124)	176,312	0	176,312
40	<b>Total Special Services</b>	173	1,615,824		(75,124)	1,540,700	0	1,540,700
41	<b>Total Volume Variable</b>	198	39,071,574	(489,764)	(345,639)	38,236,172	0	38,236,172
42	<b>Other Costs</b>	199	33,910,311	489,764	0	34,400,075	0	34,400,075
43	<b>Total Costs</b>	200	72,981,885		(345,639)	72,636,246	0	72,636,246

**R2005-1 PRC\_version - FY 2005 After Workyear Mix - AMENDED**  
**Cost Segments and Components (\$ in '000s)**  
**Report**

Line No.	Class, Subclass, or Special Service	Class	Total Attributable	Postal Penalty	Final Adjustments	Adjusted Attributable Before Contingency	Contingency	Product Specific	Adjusted Volume Variable Including Contingency
Column Number			(1)	(2)	(3)	(4)	(5)	(6)	(7)
Component							0.0%		
1	<b>First-Class Mail</b>								
2	Single Piece Letters	101	11,917,654		0	11,917,654	0	(9,768)	11,907,886
3	Presort Letters	102	5,035,906		(35,420)	5,000,486	0	(10,241)	4,990,245
4	Total Letters	103	16,953,560		(35,420)	16,918,140	0	(20,009)	16,898,131
5	Single Piece Cards	104	545,739		0	545,739	0	(546)	545,193
6	Presort Cards	105	195,743		(2,311)	193,432	0	(629)	192,803
7	Total Cards	108	741,482		(2,311)	739,171	0	(1,175)	737,996
8	<b>Total First-Class</b>	109	17,695,041		(37,730)	17,657,311	0	(21,183)	17,636,128
9	<b>Priority Mail</b>	110	3,098,340		0	3,098,340	0	(37,345)	3,060,995
10	<b>Express Mail</b>	111	519,216		0	519,216	0	(19,881)	499,335
11	<b>Mailgrams</b>	112	448		0	448	0	0	448
12	<b>Periodicals</b>								
13	Within County	113	70,373		0	70,373	0	(9)	70,364
14	Outside County	117	2,366,030		0	2,366,030	0	(95)	2,365,936
15	<b>Total Periodicals</b>	123	2,436,403		0	2,436,403	0	(103)	2,436,300
16	<b>Standard Mail</b>								
17	Enhanced Car Rte	126	2,629,364		0	2,629,364	0	(4,648)	2,624,715
18	Regular	127	9,271,822		(161,760)	9,110,062	0	(8,815)	9,101,247
19	<b>Total Standard Mail</b>	135	11,901,185		(161,760)	11,739,426	0	(13,463)	11,725,962
20	<b>Package Services</b>								
21	Parcel Post	136	1,045,482		8,716	1,054,198	0	(558)	1,053,640
22	Bound Printed Matter	137	505,433		0	505,433	0	0	505,433
23	Media Mail	139	418,505		0	418,505	0	0	418,505
24	<b>Total Package Services</b>	141	1,969,420		8,716	1,978,136	0	(558)	1,977,578
25	<b>U.S. Postal Service</b>	142	586,416	(586,416)	0	0	0	0	0
26	<b>Free Mail</b>	147	44,346		0	44,346	0	0	44,346
27	<b>International Mail</b>	161	1,506,621		0	1,506,621	0	(31,952)	1,474,670
28	<b>Total All Mail</b>	162	39,757,436	(586,416)	(190,774)	38,980,246	0	(124,485)	38,855,761
29	<b>Special Services</b>								
30	Registry	163	48,105		0	48,105	0	0	48,105
31	Certified	164	452,387		0	452,387	0	(146)	452,241
32	Insurance	165	87,142		0	87,142	0	(353)	86,790
33	Cod	166	8,109		0	8,109	0	0	8,109
34	Money Orders	168	156,718		0	156,718	0	(3,700)	153,018
35	Stamped Cards	159	1,215		0	1,215	0	0	1,215
36	Stamped Envelopes	169	13,337		0	13,337	0	0	13,337
37	Special Handling	170	792		0	792	0	0	792
38	Post Office Box	171	615,395		0	615,395	0	(1,285)	614,110
39	Other	172	391,541		(37,994)	353,547	0	(2,221)	351,326
40	<b>Total Special Services</b>	173	1,774,742		(37,994)	1,736,747	0	(7,704)	1,729,043
41	<b>Total Volume Variable</b>	198	41,532,177	(586,416)	(228,768)	40,716,994	0	(132,189)	40,584,804
42	<b>Other Costs</b>	199	27,169,741	586,416	0	27,756,157	0	132,189	27,888,346
43	<b>Total Costs</b>	200	68,701,919		(228,768)	68,473,151	0		68,473,151

R2005-1 PRC\_version - FY 2006BR After Workyear Mix - AMENDED  
 Cost Segments and Components (\$ in '000s)  
 Report

Line No.	Class, Subclass, or Special Service	Class	Total Attributable	Postal Penalty	Final Adjustments	Adjusted Attributable Before Contingency	Contingency	Product Specific	Adjusted Volume Variable Including Contingency
	Column Number		(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Component						0.0%		
1	<b>First-Class Mail</b>								
2	Single Piece Letters	101	11,656,935		0	11,656,935	0	(9,696)	11,647,239
3	Presort Letters	102	5,059,694		(65,459)	4,994,235	0	(10,165)	4,984,070
4	Total Letters	103	16,716,629		(65,459)	16,651,170	0	(19,861)	16,631,309
5	Single Piece Cards	104	552,073		0	552,073	0	(541)	551,531
6	Presort Cards	105	204,170		(4,907)	199,263	0	(625)	198,638
7	Total Cards	108	756,243		(4,907)	751,336	0	(1,166)	750,170
8	<b>Total First-Class</b>	109	17,472,871		(70,366)	17,402,506	0	(21,027)	17,381,479
9	<b>Priority Mail</b>	110	3,132,761		24,888	3,157,649	0	(37,246)	3,120,403
10	<b>Express Mail</b>	111	519,351		0	519,351	0	(20,148)	499,202
11	<b>Mailgrams</b>	112	388		0	388	0	0	388
12	<b>Periodicals</b>								
13	Within County	113	69,989		0	69,989	0	(9)	69,981
14	Outside County	117	2,205,166		0	2,205,166	0	(95)	2,205,071
15	<b>Total Periodicals</b>	123	2,275,155		0	2,275,155	0	(103)	2,275,052
16	<b>Standard Mail</b>								
17	Enhanced Carr Rte	126	2,757,097		0	2,757,097	0	(4,648)	2,752,449
18	Regular	127	9,878,263		(287,261)	9,591,002	0	(8,815)	9,582,187
19	<b>Total Standard Mail</b>	135	12,635,361		(287,261)	12,348,100	0	(13,463)	12,334,636
20	<b>Package Services</b>								
21	Parcel Post	136	1,034,555		69,107	1,103,662	0	(558)	1,103,104
22	Bound Printed Matter	137	540,599		0	540,599	0	0	540,599
23	Media Mail	139	446,040		0	446,040	0	0	446,040
24	<b>Total Package Services</b>	141	2,021,194		69,107	2,090,301	0	(558)	2,089,743
25	<b>U.S. Postal Service</b>	142	600,368	(600,368)	0	0	0	0	0
26	<b>Free Mail</b>	147	46,652		0	46,652	0	0	46,652
27	<b>International Mail</b>	161	1,534,261		0	1,534,261	0	(32,555)	1,501,706
28	<b>Total All Mail</b>	162	40,238,361	(600,368)	(263,631)	39,374,361	0	(125,100)	39,249,262
29	<b>Special Services</b>								
30	Registry	163	44,834		0	44,834	0	0	44,834
31	Certified	164	480,444		0	480,444	0	(146)	480,298
32	Insurance	165	75,432		0	75,432	0	(353)	75,080
33	Cod	166	8,230		0	8,230	0	0	8,230
34	Money Orders	168	158,910		0	158,910	0	(3,822)	155,088
35	Stamped Cards	159	1,340		0	1,340	0	0	1,340
36	Stamped Envelopes	169	13,737		0	13,737	0	0	13,737
37	Special Handling	170	808		0	808	0	0	808
38	Post Office Box	171	637,361		0	637,361	0	(1,285)	636,076
39	Other	172	426,705		(141,708)	284,997	0	(2,221)	282,776
40	<b>Total Special Services</b>	173	1,847,801		(141,708)	1,706,093	0	(7,826)	1,698,267
41	<b>Total Volume Variable</b>	198	42,086,162	(600,368)	(405,339)	41,080,455	0	(132,926)	40,947,528
42	<b>Other Costs</b>	199	31,523,613	600,368	0	32,123,981	0	132,926	32,256,908
43	<b>Total Costs</b>	200	73,609,775		(405,339)	73,204,436	0		73,204,436

**R2005-1 PRC\_version - FY 2006AR After Workyear Mix - AMENDED**  
**Cost Segments and Components (\$ in '000s)**  
**Report**

Line No.	Class, Subclass, or Special Service	Class	Total Attributable	Postal Penalty	Final Adjustments	Adjusted Attributable Before Contingency	Contingency	Product Specific	Adjusted Volume Variable Including Contingency
	Column Number Component		(1)	(2)	(3)	(4)	(5)	(6)	(7)
							0.0%		
1	<b>First-Class Mail</b>								
2	Single Piece Letters	101	11,540,526		0	11,540,526	0	(9,696)	11,530,830
3	Presort Letters	102	5,024,885		(112,142)	4,912,743	0	(10,165)	4,902,578
4	Total Letters	103	16,565,411		(112,142)	16,453,268	0	(19,861)	16,433,408
5	Single Piece Cards	104	545,817		0	545,817	0	(541)	545,275
6	Presort Cards	105	201,481		(4,935)	196,545	0	(625)	195,921
7	Total Cards	108	747,298		(4,935)	742,362	0	(1,166)	741,196
8	<b>Total First-Class</b>	109	17,312,709		(117,078)	17,195,631	0	(21,027)	17,174,604
9	<b>Priority Mail</b>	110	2,983,984		23,906	3,007,890	0	(37,246)	2,970,643
10	<b>Express Mail</b>	111	497,236		0	497,236	0	(20,156)	477,079
11	<b>Mailgrams</b>	112	392		0	392	0	0	392
12	<b>Periodicals</b>								
13	Within County	113	71,107		0	71,107	0	(9)	71,098
14	Outside County	117	2,197,993		0	2,197,993	0	(95)	2,197,898
15	<b>Total Periodicals</b>	123	2,269,099		0	2,269,099	0	(103)	2,268,996
16	<b>Standard Mail</b>								
17	Enhanced Carr Rte	126	2,675,842		0	2,675,842	0	(4,648)	2,671,194
18	Regular	127	9,818,566		(293,668)	9,524,898	0	(8,815)	9,516,083
19	<b>Total Standard Mail</b>	135	12,494,408		(293,668)	12,200,740	0	(13,463)	12,187,277
20	<b>Package Services</b>								
21	Parcel Post	136	985,195		82,245	1,067,441	0	(558)	1,066,883
22	Bound Printed Matter	137	549,370		0	549,370	0	0	549,370
23	Media Mail	139	444,371		0	444,371	0	0	444,371
24	<b>Total Package Services</b>	141	1,978,936		82,245	2,061,181	0	(558)	2,060,624
25	<b>U.S. Postal Service</b>	142	601,996	(601,996)	0	0	0	0	0
26	<b>Free Mail</b>	147	46,750		0	46,750	0	0	46,750
27	<b>International Mail</b>	161	1,509,235		0	1,509,235	0	(32,558)	1,476,678
28	<b>Total All Mail</b>	162	39,694,746	(601,996)	(304,594)	38,788,155	0	(125,111)	38,663,044
29	<b>Special Services</b>								
30	Registry	163	42,380		0	42,380	0	0	42,380
31	Certified	164	475,407		0	475,407	0	(146)	475,261
32	Insurance	165	74,402		0	74,402	0	(353)	74,050
33	Cod	166	8,145		0	8,145	0	0	8,145
34	Money Orders	168	157,827		0	157,827	0	(3,822)	154,005
35	Stamped Cards	159	1,327		0	1,327	0	0	1,327
36	Stamped Envelopes	169	13,752		0	13,752	0	0	13,752
37	Special Handling	170	801		0	801	0	0	801
38	Post Office Box	171	633,669		0	633,669	0	(1,285)	632,384
39	Other	172	412,759		(122,388)	290,372	0	(2,221)	288,151
40	<b>Total Special Services</b>	173	1,820,470		(122,388)	1,698,082	0	(7,826)	1,690,256
41	<b>Total Volume Variable</b>	198	41,515,215	(601,996)	(426,982)	40,486,237	0	(132,937)	40,353,300
42	<b>Other Costs</b>	199	31,533,599	601,996	0	32,135,595	0	132,937	32,268,533
43	<b>Total Costs</b>	200	73,048,814		(426,982)	72,621,832	0		72,621,832